

SCIENCE & TECHNOLOGY AUSTRALIA

POLICY SUBMISSION

26 JULY 2024

NEEDS-BASED FUNDING

Science & Technology Australia thanks the Department for the opportunity to respond to the consultation paper on [Needs-based Funding](#).

Science & Technology Australia is the peak body for the nation's science and technology sectors, representing 138 member organisations and more than 225,000 scientists and technologists. We connect science and technology with governments, business and the community to advance science's role in solving some of humanity's greatest challenges.

Key points

- The paper fails to clearly define how and why specific equity groups will be determined.
- The paper partially conflates low-SES with low levels of academic preparation. Needs-based funding to support equity group students should not be allocated on the basis of academic preparation.
- The paper stresses that Needs-based funding intent is to support the students from equity to groups to succeed, but also notes the system can 'would continue to be available to all students who may benefit from additional support'. This is directly contradictory.
- The proposed system appears to involve significant additional reporting, though it is not clear exactly what form this will take.
- Needs-based Funding must be spent on approved activities listed in a Framework developed by the Government. The Framework will have to be comprehensive and sufficiently flexible to allow for innovation and diversity in supported programs.

Science & Technology Australia Recommendations

1. The Government should clearly articulate how and why specific equity groups will attract needs-based funding.
2. The Government should commit to implementing a needs-based funding system that:
 - a. is a core part of the university funding system
 - b. allocates funding on per-student basis
 - c. provides adequate levels of funding, both in the aggregate and per-student.
3. Needs-based funding should be targeted to support students from equity groups and should not be available for general student support.
4. Funding should be allocated based on enrolments of students from equity groups, not based on levels of academic preparation.
5. Students from regional and remote areas should be an identified equity group that attracts needs-based funding, regardless of where they study.

6. The Government should develop and publish more detailed material on the new reporting requirements on higher education providers.
7. The Framework of Equity Support Activities should be drafted following extensive consultation to ensure that it is:
 - a. comprehensive
 - b. up-to-date
 - c. sufficiently flexible to allow for diversity and innovation in equity student support.
8. An interim evaluation of needs-based funding should be carried out after five years, with further regular evaluation work thereafter.
9. The Government should also consider other important and effective policy levers to increase interest and participation, such as school-based education supports, adequate student income support, reasonable pricing of student contributions and fair arrangements for repayment of student loans.

Needs-based Funding: objectives and design

Science & Technology Australia welcomes efforts to improve funding to support students from equity groups to complete their degrees. Designing and administering equity funding as a core part of university funding is a big improvement in the funding and policy architecture of the higher education system. A system that makes more funding available, more effectively delivers funding where it is needed and focusses on supporting success (not just participation) would be a major step forward.

While participation by students from equity groups has improved significantly in the past 15 years, equity students' completion rates still lag behind. Remedying this disparity is not only a matter of fairness, but also a way to increase skills supply by drawing more effectively on the talents of all Australians.

The paper is surprisingly deficient in adequate descriptions/definitions of 'equity groups' and how eligibility will be determined. The paper explicitly notes the Needs-based funding system would be to support 'under-represented students (low SES students, First Nations students and students with disability)' and 'students studying at regional and remote campuses'. However, since 1990, the Government has also recognised people from non-English speaking backgrounds (NESB), and women in non-traditional subject areas as other under-represented groups in higher education.

While the [final report](#) from the 2018 [Review of Identified Equity Groups](#) noted that the NESB group should be redefined to include only people from specific language groups, there is no mention at all in the consultation paper of this under-represented group (except in Attachment B, in an example program from Western Sydney University that supports students from refugee backgrounds – clearly demonstrating this is a recognised equity group in current university practice). The paper is also silent on the potential to support gender equity in disciplines where women are under-represented. The Government should make it clear how and why it has decided to support specific equity groups and how they will be defined.

Further, the 2018 report also recommended splitting the regional and remote category, as people from remote areas were 'substantially less likely to participate' in higher education than people from regional areas. However, the consultation paper fails to acknowledge this, and specifies that regional and remote funding would be allocated according to 'students **studying at** [our emphasis] regional campuses'. This misses the point that it is students who **come from** regional and (more particularly) remote areas who are underrepresented. As such, the funding should follow the student (as the paper claims funding will) to support them in their choice of wherever they choose to study.

Rather, what the paper appears to describe is a repackaging of the already existing Regional Loading, paid to providers 'recognising the higher costs regional providers face to deliver courses in regional Australia'. It is a payment based on the needs of universities, rather than students.



A better design – and one more consistent with the claimed policy intent – would be to include regional and remote students – i.e. students who **come from regional and remote areas**, regardless of where they choose to study – as an identified equity group.

Academic preparation

The paper states needs-based funding could be ‘scaled to reflect differing levels of academic preparedness’. This presumably means that while all equity group students would attract funding, the level would vary depending on how well-prepared students are for university.

Practically, it is not easy to measure academic preparedness – especially for non-school leaver commencing students. For school leavers, ATAR can be used. However, the measures proposed for non-school leavers (mode and intensity of attendance and age) are simply **not** proxies for academic preparedness. More work would be needed on how non-school leavers’ academic preparedness could be more reasonably determined.

Further, preparedness for university does not change whether or not a student is from an identified equity group or not. While there may be interacting and/or compounding factors, the two should not be conflated. Scaling levels of needs-based funding according to academic preparedness runs the risk of undermining the policy intent to support students from equity groups – whose needs may or may not extend beyond additional academic supports – to succeed at university.

The most practical solution would be to allocate funding to all equity students without the proposed scaling. This would clearly retain the policy intent to support equity group students to complete degrees.

We note that the Government is also funding fee-free foundation courses for students with low levels of academic preparation. This should not be conflated with needs-based funding for equity groups.

Benefits ‘available to all students’?

The paper states the system would ‘be used primarily [sic] for the benefit of students within the identified cohorts’ but ‘would continue to be available to all students who may benefit from additional support’ (p1). This is directly contradictory to the stated policy intent of supporting students from equity groups to complete their degrees, and the paper later states ‘Needs-based funding would be calculated on a per-student basis and delivered to providers to fund activities that support student success in the target equity cohorts’ (p3). However, it changes tone again later, stating ‘Needs-based funding contributions **could** [our emphasis] be allocated on a per-student basis’ (p7). This lack of clarity is concerning.

Needs-based funding should be delivered to providers on a per-student basis to support equity group students’ success and completion. As such, it is totally unclear why the consultation paper considers the possibility that funding could be used to support ‘all students who may benefit from additional support’. This threatens the system’s fundamental policy goal.

Reporting and accountability

The system will include new reporting requirements to ensure the funding is appropriately targeted and effective. In principle, this is appropriate to monitor the impact of universities’ efforts and ensure accountability. However, information on new reporting provided in the consultation paper is generic. More detail is needed to give a clearer picture on what universities will be required to report and how their activities will be assessed.

Review and evaluation

The paper proposes the Needs-based Funding system be evaluated in five years, which is a worthwhile suggestion. However, five years will not be sufficient to draw definitive conclusions on completions, due to the potentially long interval between commencement and completion, which is often more



than the minimum time taken to complete a degree – especially for many equity group students. Completion rates are typically measured at six or nine years after commencement. Equity group students often take longer to complete, partly because they are more likely to be studying part-time. A review after five years could deliver a worthwhile interim evaluation – focussing on attrition, progress and success rates, but should be supplemented with further evaluation in subsequent years.

Framework of Equity Support Activities

An evidence-based framework of activities – with an explicit policy focus on evidence of impact effectiveness – to support equity group students to succeed would be a useful resource. To avoid excluding effective activities, the framework must be comprehensive and developed through thorough consultation with the sector. It must be sufficiently flexible in describing the various activities to avoid constraining diversity and innovation in support for equity group students. The paper outlines a commitment to regular revision of the framework, which is welcome and necessary.

The paper outlines in generic terms how the Framework will be used – and how tightly any university activities might be constrained to activities listed in the Framework. More detail is needed to operationalise a workable set of administrative procedures.

Student income support

Efforts to expand access and participation should not neglect other effective policy levers to encourage students to enrol and to support them through their studies. For students from low SES backgrounds, adequate, appropriately targeted income support is the most effective policy measure to support students struggling to meet the cost of living while studying.

Ensuring that student contributions are set at a fair and reasonable level, and that arrangements for student loan repayments are fair is also necessary to support broad participation in higher education – especially by students from traditionally under-represented population groups.

Please do not hesitate to be in contact if we can provide any further advice or information.

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