



STRENGTHENING REGIONAL HIGHER EDUCATION PROVISION

Sustainable higher education provision, which is responsive to the specific needs of regional Australia, is essential to Australia's social and economic prosperity. Institutions have a vital role to play in local communities and economies, and students who study in regional areas are much more likely to stay in those areas, providing a vital skilled workforce in the regions. Finding sustainable solutions for regional higher education provision will also play an important role in achieving the Australian Government's participation and attainment targets.

The Australian Government will strengthen regional higher education provision through a suite of measures to encourage greater sustainability, diversity and collaboration supported by better funding and improved capital works, and review of existing and new approaches.

Review of Regional Loading

Regional loading provides extra funding under the Commonwealth Grant Scheme to assist higher education providers with regional campuses to meet the additional costs associated with operating them. It recognises the unique contribution regional campuses make to their local communities and the higher costs faced by providers because of their location, size and history. However, it is not sufficiently well targeted to meet the needs of regional Australia for high quality higher education. The Australian Government is committed to examining the cost of providing quality teaching and research in regional Australia so that a new, more logical basis for funding may be introduced.

Feasibility Study—Charles Sturt University and Southern Cross University

As part of the Government's approach to encourage more sustainable, diverse and collaborative entities, the Government is supporting a feasibility study to explore how Charles Sturt University and Southern Cross University might come together to improve provision for students and for regional communities. \$2 million has been allocated for the study which is expected to be completed by the end of 2009.

Supporting Structural Adjustment

The Australian Government has committed \$402 million over four years from 2009-10 for structural adjustment funding to assist higher education providers adapt to reforms following the Bradley Review of Australian Higher Education. The Structural Adjustment Fund will be provided to support significant structural change across the higher education sector.

This replaces the existing Diversity and Structural Adjustment Fund to support broader operational and capital projects, with \$200 million for capital components of structural adjustment to be funded from the Education Investment Fund.

This new fund will enable Government and individual institutions to discuss their future missions and provide funding for projects that will deliver greater sustainability, diversity and collaboration with other institutions, including between higher education and vocational education and training.

The Fund will be open to both regional and metropolitan universities, and could be used for collaborations with a range of VET and adult and community education providers.

Next steps

The higher education sector will need time to adjust to the new environment, including the move to a new system for funding student places based on demand. A staged approach will assist higher education providers to adjust to the new arrangements. During the first (transitional) stage, the current 'cap' on funding for over-enrolments will be lifted from 5 per cent to 10 per cent to maintain balanced growth and quality. The buffer for under enrolment will remain in 2010 and 2011 to provide institutions with funding certainty.

In addition to undertaking further work throughout 2009 to better identify the issues facing regional provision, it is important that any future considerations about the ongoing funding arrangements to support higher education provision in regional Australia take account of changes in the operating environment, including structural adjustments and impacts as a result of the move to a demand driven system.

The Government will consult with universities during the consultation, research and review processes.

