



## STUDENT CENTRED FUNDING SYSTEM

From 2012, all Australian public universities and the Batchelor Institute of Indigenous Tertiary and Education will be funded for student places on the basis of student demand. The Rudd Government is investing additional funding of \$491 million over 2009-10 to 2012-13 to fund a Commonwealth supported place for all undergraduate domestic students accepted into an eligible, accredited higher education course at a recognised public higher education provider. Universities will not be funded for places that they do not fill.

Transitional arrangements will operate in 2010 and 2011. During this period the cap on funding for over enrolments will be lifted from 5 per cent to 10 per cent and the funding floor for under enrolment will remain.

The transitional arrangements will apply to all public higher education providers and the University of Notre Dame Australia.

For 2010 and 2011, payments for estimated over enrolments will be made in the relevant year. Adjustments for under enrolments will be made in the following year.

In response to the Bradley Review of Australian Higher Education, the Australian Government believes that there is a compelling case for change based on the need to increase the number of Australians with qualifications at bachelor level or above, and provide universities with more flexibility to respond to student demand.

### What will this measure deliver?

This will enable an additional 50 000 students to commence university studies by 2013 and produce 217 000 additional graduates by 2025.

The new system will result in reduced red tape for universities and less Government interference and will encourage competition in the sector to attract students.

### How will the government ensure a balance between the needs of students and the public interest?

The Government will continue to have a role in ensuring Australia's skills needs are being met by the higher education system. There will be clear and strong public interest oversight of the demand driven funding system that will be in place from 2012. The role of Skills Australia will be expanded to advise the Australian Government on the effectiveness of the higher education system in meeting Australia's skill needs.

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### Next steps

The *Higher Education Support Act 2003* will be amended to raise the over enrolment funding limit to 10 per cent for 2010 and 2011. Further legislation will be required at a later stage to implement the full demand driven funding system from 2012.

An independent review of the base funding levels for learning and teaching in higher education will be commissioned by the Government to ensure that funding levels remain internationally competitive and appropriate for the sector. It will also examine options for achieving a more rational and consistent sharing of costs between students and across discipline clusters. This review will report in 2011.