Needs-based Funding: Implementation Consultation

University of Tasmania Submission

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UNIVERSITY of TASMANIA

Executive Summary

The University of Tasmania is committed to improving the educational outcomes of people from disadvantaged backgrounds. Through a Needs-based Funding model, the University will be able to significantly scale our current and evidence-based approach to student success to meet the aspirational completion targets found within the Accord. While a Needs-based Funding approach would allow the University to target specific interventions that will support improved completion rates across equity cohorts, it would also ensure a wider whole-of-university approach to improve the wider student experience and completion at the University of Tasmania which will contribute to the broader Accord targets for educational attainment.

Currently, our university receives approximately $28m per annum funding from a number of schemes intended to improve the participation and success of those from disadvantaged backgrounds, with this funding supplemented with additional funds provided by HECG ($32.6m in 2023), our contribution to HEPPP programs ($9.6m in 2022) and other contributions from the university operating budget. Collectively, this funding enables the University of Tasmania to achieve our current levels of equity representation of Tasmanian students, which is above the national average for all four equity cohorts, while still recognising there is a gap to achieve parity with State equity representation levels.

While we strongly support the intent to move from the current mix of funding schemes to a single Needs-based Funding system, it is imperative that the redesign sees the current level of funding maintained and increased. This is needed to reflect the own-source funds that the University is currently directing to achieve equity outcomes over and above the funding currently provided, as well as to enable further growth in the number and proportion of Tasmanian equity students succeeding at the university to achieve parity with State equity representation as envisaged in the Accord.

Needs-based Funding for students rather than EFTSL

The Consultation Paper indicates that “A new Needs-based Funding model would include a per-student funding amount (calculated based on Equivalent full-time student load (EFTSL)) for under-represented students”. We recommend the Needs-based Funding model is instead funded based on head count, rather than EFTSL.

The change in demographic profile of university students across the nation, and also very evident at our university, is significant, with part-time students now a much larger proportion than in the past. The University of Tasmania has the 2nd highest headcount to EFTSL ratio of all Table A universities in the country, with this ratio increasing as the diversity of our student population increases. This means that EFTSL is not representative of the total number of students that need support to succeed at University.

In supporting equity groups, it is imperative that appropriate supports for equity students studying part time are provided for and funded, as current evidence suggests that supports needed are often not based on the number of subject/units a student is enrolled in, but rather on the type and volume of support needed to be successful.

There are many systems and process that equity students need support engaging with as part of participating at university, irrespective of their course load. In 2024 we have 1,455 students who are supported by our Accessibility Services for their learning access plans and ongoing supports, while only 18% of these (264) are enrolled full time for the whole year. It is our experience that just because a student is part time does not mean they only need a proportion of a learning access plan and ongoing support.

Investing in evidence-based activities that support student completion

Sector best practice indicates that the best way to improve retention and success of students from under-represented groups is to deliver support activities and programs at scale using a whole-of-university approach. University of Tasmania data shows that a whole-of-university approach with meaningful, data-informed support interventions can have a 10-15% improvement on student retention across equity groups.

For example, through our Student Advice and Mentoring (SAM) Model and scaffolded assessment design, the University of Tasmania has been successful in the early identification of students disengaging from their studies. The SAM model identifies five key points for contact during a student's first semester of study, with each contact in the sequence of interventions tailored to provide timely support, guidance, and referrals appropriate to that point in the student's studies. Combining real-time, coordinated and connected approaches to student support with accessible curriculum design shows significant promise which at scale can have a positive impact on the success of students from disadvantaged backgrounds.

Recognising these approaches to additional support that students from disadvantaged backgrounds require to be successful, we have invested significantly in whole-of-cohort retention initiatives, as this level of service is not otherwise reasonably funded through an existing support program.

Therefore, we strongly recommended that Needs-based Funding and the proposed "Framework of Equity Support Activities" be aligned to the following whole-of-cohort activities:

- Robust pre-entry and enabling programs that equip students with the appropriate skills, social capital and experience to be successful at University.
- First Year Curriculum design that establishes scaffolded assessment practices and scaled onboarding activities to ensure students can develop skills as they learn.
- Ensuring Universal Designed Learning and inclusive design is embedded in all learning activities, services and support programs to increase access.
- Dedicated First Nations student centres that provide vital academic, social and cultural supports provided by First Nations academic and professional staff.
- Access to timely and appropriate financial and scholarship support.

- Data-rich and centrally coordinated intervention and reasonable adjustment strategies that identify students who are disengaging with their studies and pairs them with targeted support staff for timely assistance.
- Scaled peer to peer engagement opportunities aligned to their curriculum and mode of study.
- Overarching data and impact reporting underpinned by the new Support for Students Policy.

Ensuring growth in equity participation and success, not just a redistribution

The Consultation Paper proposes that Needs-based Funding for low SES students, First Nations students and students with disability would "follow the student" to "ensure more students from under-represented backgrounds are supported to participate and succeed in higher education".

While the Consultation Paper does not specifically address potential participation and completion targets for universities, it is expected that universities which currently have low representation from these equity groups will need to pursue strategies to increase representation, to realise the targets outlined in the Accord for achieving representation in parity with the State population.

In Tasmania we have seen evidence of large metropolitan universities securing the most academically prepared (e.g. highest ATAR) equity students from well outside their local catchment by offering substantial scholarships, contributing to a "brain drain" from regional to metropolitan areas. Over the past decade, this has seen the size and proportion of the Tasmanian student equity cohort who commence university interstate (excluding regional equity characteristics) increase.

As all metropolitan universities have large shortfalls between the number of equity students they currently enrol and the number they require to meet the representation targets of the Needs-based Funding system, there is a risk that this approach to attracting the most academically prepared students from regional to metropolitan areas will continue and potentially accelerate. Furthermore, analysis of student numbers shows that even small percentage increases in equity student representation amongst metropolitan university populations represent large absolute volumes for regional universities like ours.

To illustrate, the uplift in low SES students that just two Victorian metropolitan universities, the University of Melbourne and Monash University, together require to reach parity with the average in the Victorian community currently exceeds the size of the entire cohort of low SES students enrolled at the University of Tasmania.

There is a significant risk that, without clear protocols in place, the provision of additional Needs-based Funding will see this practice increase significantly, which creates several issues:

1. It will not address the key challenge for increasing equity students in higher education, which is attracting and enabling the success of students that currently are NOT inclined to attend university (i.e. those that are less academically prepared with either a low or no ATAR).
2. It will exacerbate the current situation that is also seen for non-equity students, where the smaller regional universities are responsible for attracting and enabling the success of cohorts that are more heavily weighted to lower academic preparedness, ultimately bearing the additional costs that this cohort mix require to succeed.
3. It will result in university cohorts in both regional and large metropolitan universities that do not represent the true mix of their communities, resulting in a less diverse and poorer student experience and social outcome.
4. It will contribute to the continuing “brain drain” challenge experienced in regional areas, where students who move out of regional areas across the country do not return to make a material contribution to their regional area.

A suggested response to this is to consider the natural catchments for universities, with targets and associated funding to be linked to each institution attracting the majority of equity students (across all levels of academic preparedness) from their catchments, rather than by attracting only the most academically prepared from other catchments. These catchments could align with State boundaries or be within States, based on some form of geographic classification. In time, the ATEC could set equity targets based on these catchments and manage the system such that equity students enrolled at a university in excess of the university’s target for out-of-catchment students will neither count towards the CSP quota or receive equity funding.

To aid this initiative and to provide helpful levels of granularity as the sector works to enable the success of equity students across the nation, we suggest universities be required to publish the representation rates of equity cohorts in the student population as compared to their catchment area.

We note that the consultation paper also proposes that if an equity student does not receive an equity place for their preferred course, they will be guaranteed a Commonwealth Supported Place in another institution with a similar course.

Whilst very supportive of this concept, this could cause undue problems for equity students in states such as Tasmania, which has only one primary university education provider. There is significant risk that this policy will be highly disruptive for equity students in Tasmania, as it will require those who exceed quotas and therefore do not receive a place, to move interstate to study.

Equity students already face challenging circumstances, and many depend significantly more than most on their local support network. If these students were forced to leave the State to attend another institution, they would also be forced to leave their support network. For many equity students, this will not be a viable option and almost certainly will reduce their chances of success at university. For this reason, we suggest the TEC have discretion to raise the cap for universities that enrol above their quota of equity students where there is no alternative university with available places within reasonable commuting distance, for example, a catchment of 50 kilometres.

Recognising disadvantage within and across equity cohorts

While Needs-based Funding recognises the additional costs needed to support students from equity cohorts to succeed at the same levels and rates as the broader student population, it is important to recognise that the there are varying levels of need within these equity cohorts that should be reflected in the Needs-based Funding system. This is because the challenges faced by equity students increases with increasing levels of disadvantage.

For example, analysis of University of Tasmania enrolments clearly shows that, within the category of students considered to be low SES, students in the bottom three low SES quintiles have considerably lower levels of academic success than students in the top two low SES quintiles. This highlights that the needs of students within the "low SES" category are not all the same, and accordingly, Needs-based Funding loadings for each equity cohort should be tiered to reflect the differing levels of support needed by equity students in the same equity cohort, to succeed.

It is also important to recognise that the cost of retaining and enabling the success of equity students increases as their particular level of disadvantage increases.

Students with lower levels of complex disadvantage are likely to be first to contribute to uplifts in participation rates by equity cohorts in university. However, the targets of the Accord will ultimately require significant uplifts that will necessitate greater participation from equity students experiencing high degrees of disadvantage within their corresponding equity cohorts. Therefore, as representation from an equity cohort in university increases, so too will the cost of support per equity student needed to enable success.

Using low SES students, we suggest that a standard level of additional funding is sufficient to support the success of low SES students up to a representation rate of approximately 30%.

However, as representation rates push above that level we are likely to see much higher participation rates from students with deep, complex levels of disadvantage and the corresponding costs of supporting those students could thereby rise quickly. As a real-world example, we may see low SES students entering higher education that not only have unstable homes and no access to quiet home study spaces, but their situation is exacerbated through exposure to abuse, mental health challenges and caring responsibilities for others within their family unit.

Therefore, we suggest that once the cohort of low SES students exceeds a certain representation rate, such as 30%, that a multiplier of 1.25 be applied to the basic Needs-based Funding loading. Further, we suggest that the Needs-based Funding loading continue to increase with representation, such that once rates of representation of low SES students at university exceed 40%, for example, that each additional low SES student to enrol attracts 1.5 times the basic Needs-based Funding loading.

Additionally, we acknowledge that there are degrees of disadvantage experienced by equity students not only within equity cohorts but also across cohorts, whereby students exhibit multiple equity characteristics. As a minimum, we support the approach (as taken by the Gonski Review) that equity loadings are additive, such that a student experiencing several types of disadvantage will attract the sum of several needs-based equity loadings.

However, we believe that not only is disadvantage additive but also compounding, whereby the sum of disadvantage is greater than its individual components, as the complexities of overlapping layers of disadvantage produce unique additional challenges.

This compounding impact of disadvantage is evidenced through our attrition data, which shows that, while low SES students experience an attrition rate 20% higher than non-equity students (excluding regional), students who are both low SES and have a disability experience attrition rates 100% greater than non-equity students (excluding regional), and 200% greater amongst ATSI students who are low SES and also have a disability. Evidently, attrition rates rise exponentially as disadvantage overlaps and compounds, indicating enabling completion in students with complex disadvantage will require corresponding levels of increased support.

Accordingly, we propose that a multiplier is developed, to be applied to the basic Needs-based Funding loading, and scaled to the extent to which an equity cohort is represented at university.

Scaling per-student regional funding allocations to reflect the varying economics of regional campuses of different sizes.

The consultation paper suggests that “Providers would be allocated per-student funding contributions which could be scaled by academic preparedness, for…students studying at regional campuses, recognising the higher costs regional providers face to deliver courses in regional Australia.” This suggests that the funding is not so much related to whether a student is regional (e.g. comes from a regional area) but is related to the number of students that attend a regional campus.

We support this approach as it reflects the reality that the per student cost in providing education to students that study in small regional campuses is greater than for larger metropolitan universities, and that the presence of regional campuses that are engaged with their communities and meet community education and research needs is essential for the future success and prosperity of our regions. We have highlighted this additional cost for regional delivery through prior submissions, noting that we are currently required to cross subsidise our Burnie and Launceston campuses in the order of $55m per year.

In providing funding for regional educational delivery, it is important that funding reflects the reality that not all regional campuses are the same and do not face the same additional cost, with scale being the main driver of differential costs.

The numbers of students per offering at the smallest scale regional campuses will inevitably be smaller than the numbers that can be sustained at larger regional and metropolitan campuses. Using Tasmania as a case study, if we are to continue to be able to provide access to higher education courses to students in their local areas, the funding system needs to ensure that it is viable for small regional campuses in a city like Burnie (population: 20,000) to offer units with an average size of around 10 students, at medium size regional campuses like Launceston (population: 90,000) this number would be around 15 students whereas at larger regional campuses like Hobart (population: 250,000) it would be above 20.

Accordingly, we recommend that the regional loading should be scaled to the reflect scale of the regional campus concerned, be they small, medium or large. To reduce complexity, this could be achieved through a tiered system with different loadings for students studying at campuses in these three tiers.

In supporting the provision of regional education, the system also needs to defend against unintended consequences, such as non-genuine providers looking to create a new regional "presence" simply to attract a regional loading, without being well connected to the local community and being focussed on meeting the community education and research needs that are essential for the future success and prosperity of the region.

Outreach activities to attract more equity students into higher education

It is important to recognise that to achieve the equity targets in the Accord, the sector needs to attract more equity students into the system, as well as then supporting and enabling these students to succeed within the system.

It is understood that the Needs-based Funding system as outlined in the Consultation Paper is intended to focus solely on this second task – enabling equity students to succeed once they are "in" the system. While this funding focus is critical, it is also vital to understand that further effort, activity and funding also needs to be focussed on attracting and enabling more equity students to attend university in the first place.

Part of this issue is addressed through the introduction of FEE-FREE Uni Ready Courses to provide more students with an enabling pathway into higher education, which we strongly support.

It is also understood that existing funding sources that support outreach activities, such as a portion of the HEPPP funding, will be retained as part of the shift to a Needs-based Funding system. However, further attention and funding is needed to enable outreach and pre-access programs targeting equity cohorts, as the current levels of outreach funding (through programs such as HEPPP and ISSP) are only effective at achieving the current levels of equity group participation - acknowledged as being well below parity against their representation within our communities.

While the proposed Needs-based Funding system is not intended to address this funding need, we consider that the additional need for focus and funding in relation to outreach must be addressed by the Government if we are to collectively achieve our equity participation and success targets.

Funding and meeting the needs of students with a disability

With Tasmania having the highest proportion of people with a disability in the country (5.1% higher than the next highest state, South Australia), the University of Tasmania strongly supports the inclusion in the Needs-based Funding system of students with a disability, while recognising there are particular challenges in ensuring the needs of these students are appropriately recognised, funded and delivered.

As noted previously, the University supports a university-wide and programmatic approach to ensure that supports reach all students, such as by embedding universal design for learning across curriculum, systems and learning environments. This approach is particularly important to enable the provision of support to those students who have a disability but may have chosen not to declare upon admission.

Linking funding directly to students who self-declare a disability on enrolment raises administrative complexities which would potentially necessitate additional assessments of disability upon entry, and also impacts on the autonomy of the individual to choose to declare or otherwise.

However, many students with disability will still require specific, tailored support to enable them to succeed at university. There may be lessons from the school sector that can be applied to the university sector in terms of how students with a disability are supported with Needs-based Funding allocations.

The current approach in the school sector provides a disability loading for schools on a per student basis which is scaled to 1 of 3 levels depending on the degree of support required: supplementary, substantial and extensive. Average funding for students in the substantial and extensive support categories is approximately 1.5 and 2.3 times greater, respectively, than those needing supplementary support. Generally, this often excludes funding provided to higher needs students through supports such as medical care, expertise, training, specialist equipment and one to one supervision; the weighted loading for students requiring extensive support would be significantly higher otherwise.

In designing the Needs-based Funding system to support the success of students with a disability, consideration must be given to the differing levels of support that students with disability require, rather than applying a single “average” funding allocation.

Further consideration is needed to determine how best to assess these differing levels of support needs within universities in a way that is student-centred and efficient.

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Assessing academic preparedness in the absence of an ATAR

The Consultation Paper indicates that "Elements of Needs-based Funding could be scaled to reflect differing levels of academic preparedness…for students entering higher education without an ATAR, academic preparedness may be proxied through other factors associated with attrition, such as mode and type of attendance and age." In the short term, we would support the use of such proxies, particularly recognising that as a University with a high proportion of non-school leavers, the ATAR is less relevant for many of our students.

In the longer term we support the development of alternative ways of assessing academic preparedness, such as needs and skills assessments that provide institutions with a deeper understanding of students' support needs and course alignment as they progress their studies, in addition to understanding the barriers students face.

For both Tasmanian and interstate year 12 leavers, the University of Tasmania has successfully implemented alternative means of assessing entry through our School Recommendations Program (SRP), incorporating teacher assessment and recommendations regarding students' readiness for tertiary study. SRP utilises an individualised, student-centric approach that allows for both close support and nurturing of a student's needs, and close understanding and monitoring of a student's skill set and personal circumstances that will influence their capacity to succeed at university.

Since offering SRP as a mode for admission to our university, 90% of Tasmanian school-leaver applicants have used SRP admission, and over half of mainland school-leavers now apply to eligible courses using the SRP, as opposed to relying on an ATAR.

This broader and more personalised means of assessing preparedness then sits side by side with the recently implemented Support for Students policy, which facilitates monitoring of student progression and relevant outreach and support unique to student need, within a broader framework of support, inclusive of academic, peer-based, wellbeing and personal support. In cases where a student is admitted to university without an ATAR, the evaluations rendered in the SRP upon admission could be used as a proxy assessment of academic preparedness; subsequent evaluations from programs monitoring student progression could also be used to scale the level of ongoing support needed on a per-student basis.