



## Managed growth funding for universities

The Australian Government will introduce a new funding system for Commonwealth supported places (CSPs), from 1 January 2026, to meet student demand, maintain sustainable growth and increase opportunity for people from under-represented backgrounds.

This will boost the number of Australians from underrepresented backgrounds getting the opportunity to go to higher education.

The managed growth funding system will provide universities with greater certainty about the number of CSPs that are fully funded.

The new system will provide for long-term growth in CSP funding arrangements for universities, allowing them to plan for the future, meet Australia's skills needs, prioritise resources and provide a better educational experience for more students.

The Government will also introduce needs-based funding that's responsive to the different needs of students, and in particular supports more students from underrepresented backgrounds, and studying in regional areas, to succeed and complete their uni degrees.

The plan for the implementation of the new Managed Growth Funding System will be developed in consultation with the sector.

### How will this initiative work?

The Government will determine a maximum system-wide pool of places that is large enough to meet expected student demand and put the system on track to meet the attainment target.

The managed growth target will be a target level of enrolments for each university. Universities will not receive any Commonwealth Grant Scheme (CGS) or student contributions for students above their agreed growth target.

Universities will be required to meet agreed performance outcomes, including improvements in enrolments from students from historically under-represented backgrounds.

Funding certainty for universities over the short term will be provided through transition arrangements to smooth the impacts of the end of the Higher Education Continuity Guarantee (HECG).

## Why is this important?

The Australian Universities Accord found that our tertiary education system needs reform to deliver the large and skilled workforce that Australia needs to meet its social, economic and environmental challenges.

To achieve this, the Accord calls for the expansion of opportunities for more people to engage in tertiary education, particularly from groups who have been historically underrepresented – students from regional, remote and low-SES communities; First Nations Australians; and students with disability.

## Who will benefit?

A managed system with strong system stewardship and agreed performance outcomes for universities will help drive more equity enrolments and deliver a better and fairer education system for all Australians.

The Government is also investing \$350.3 million to implement FEE-FREE Uni Ready courses to help students who do not qualify for direct entry to university to gain the skills they need – at no cost.

The Government will also introduce needs-based funding that is responsive to the different needs of students, and in particular supports students from underrepresented backgrounds, and studying in regional areas, to succeed and complete their university degrees.

## How much will it cost?

The final design of the new Managed Growth Funding System will be developed in consultation with the sector.