



Increased transparency and accountability

Performance-based funding growth for universities

What is the Australian Government doing?

From 2018, the Government will cap the amount of funding it pays to public universities for bachelor courses. In 2018 and 2019, the cap will be set at the funding provided in 2017. From 2020, the amount of funding growth will be linked to performance requirements.

The performance indicators and performance targets will be subject to consultation with the sector in 2018 and may relate to improvements in student attrition, low SES participation and workforce preparedness of graduates.

Why is it important?

Commonwealth funding to universities is at a record high. While universities will be able to maintain their existing funding levels, further funding growth will be contingent on meeting performance requirements.

Universities must be accountable for the student admissions decisions they make and transparent about how they use the substantial taxpayer and private funds they receive.

Linking funding growth to performance outcomes will encourage universities to provide a better student experience and introduce new initiatives to improve their performance, support student retention and boost graduate employment outcomes.

Who does this affect?

This decision only affects Table A providers, most of which have had access to previously unfettered CGS funding growth under the demand driven funding system. Despite these changes, the Government will continue to financially support higher education providers through the CGS, in the order of \$7 billion per year and around \$17 billion in total.

High performing universities will have the opportunity to increase their revenue, while lower performing universities will have their maximum funding maintained at 2017 funding levels and an incentive to improve.

Need more information?

- Providers can visit the [department's higher education reform page](#) for more information, where a range of provider-focussed [FAQs](#) are also available.
- Students can visit the [Study Assist](#) website for more information, where a range of student-focussed [FAQs](#) are also available.