Universities Australia's response to the Higher Education Support (Other Grants) (Temporary Funding Floor Guarantee) Guidelines 2026

Universities Australia (UA) provides this response to the consultation on the Higher Education Support (Other Grants) (Temporary Funding Floor Guarantee) Guidelines 2026 (TFFG Guidelines).

UA supports the introduction of the Temporary Funding Floor Guarantee as an important measure to provide financial stability and certainty for universities transitioning to the new Managed Growth Funding system from 2027.

Transitional funding guarantees have provided an important financial stabiliser as universities navigate significant operating challenges and shifts in funding policy. Over the last decade, these have included:

- the transition from demand driven funding to a capped Commonwealth Grant Scheme
- the impact of COVID, with border closures and social distancing requirements influencing enrolment and delivery patterns across 2020 to 2022
- the introduction of the Job-ready Graduates Package in 2021, which reduced government funding for universities by around $800 million annually, cut funding per student place and increased student contributions in many disciplines.
- changes to migration policies, including slower visa processing, punitive ministerial directions, evidence levels, caps on overseas student enrolments and the tripling of student visa fees, and
- the closure of the $3.95 billion Education Investment Fund in 2019, resulting in the loss of the sector's only dedicated infrastructure funding.

For some universities, these challenges have had a compounding effect, reinforcing the importance of transitional support. The shift from *'transitional'* to a 'temporary' funding floor guarantee signals that this support is time bound. While the proportion of universities eligible for transitional funding has declined over time, financial and operating pressures across the sector persist. With the guarantee scheduled to conclude in 2031, it will be important to assess whether the transition period is sufficient for universities facing structural funding pressures.

To support effective financial planning, UA recommends that the department provide practical guidance on the application of the TFFG Guidelines. This would help universities understand their potential funding entitlements over the transition period.

UA encourages the Commonwealth, particularly the Department of Education and the Australian Tertiary Education Commission, to monitor the cumulative impact of policy changes and assess the continued need for, or recalibration of, transitional funding support. UA also recommends that the forthcoming ATEC State of the Sector report include a dedicated section on these matters.