THE UNIVERSITY *of* ADELAIDE

Questions on Notice – Senator Pratt

1. **Please provide modelling of the impact of the JRG package for your institution from 2021 to 2025:**

   The University has not extended modelling beyond 2024, the notional end of transition and grandfathering arrangements.

   a. **Taking into account only the elements in the legislation under consideration**

      Due to changes in cluster and HECS band arrangements the University is $12-13M worse off per year under the new arrangements than under existing arrangements.

   b. **Taking into account the full JRG package**

      In 2021-2023 transition funding will maintain University funding at the same levels as existing arrangements so the only reduction possible in the 2021-2024 period occurs in the final year of the period, where the University is likely to receive a total of $1.1M less than would be the case under existing arrangements.

2. **According to the Department's calculator, what will be the funding cut for universities in 2024 compared to 2019 due to the cluster funding changes?**

According to the final reconciliation of 2019 CGS and HECS-HELP programs provided by the Commonwealth on August 26, 2020 the University of Adelaide has received $168,108,225 in Commonwealth Contributions and $118,272,622 in Student Contributions for a total of $286,380,847.

According to the Department's calculator in 2024 the University of Adelaide will receive:

- $162,611,450 in Commonwealth Contributions
- $130,806,246 in Student Contributions,
- $5,075,4040 in NPILF
- $11,766,625 in growth places and enhanced indexation
- $430,710 in regional indigenous funding

This amounts to $310,690,435 compared to $304,595,658 which would have been provided under existing arrangements.

3. **According to your own modelling, what will be the funding cut for universities in 2024 compared to 2019 due to the cluster funding changes?**

The University has modelled a large number of different scenarios but using the ‘no change in profile’ scenario and some more likely CPI figures (0% in 2020, 1% in 2021 and 1.5% in 2022, 1.5% in 2023) the University will be roughly $12.7M worse off in terms of per EFTSL funding and then will be compensated with $11.6M in additional funding in the form of NPILF, growth and enhanced indexation and regional indigenous funding for a net shortfall of $1.1M.

4. Please provide modelling on the impact on the fees paid by women students and indigenous students, based on your most recent enrolment data.

After the completion of grandfathering in 2024 and based on our 2019 profile, on average:

- female student contribution rates increase by 3.1% while males increase by 0.5%. Males will still be paying 4.0% more than females.
- ATSI student contribution rates increase by 9.4% while non-ATSI increase by 1.7%; after the changes ATSI students will be paying 2.2% more than non-ATSI.

5. Please provide estimates of the number of additional places that will be ‘created’ according to the government’s calculator, each year over ten years.

a. And the rates that will be paid for those places.

The governments calculator only extends to 2024. Based on government assumptions about CPI the University will receive a total of $26M in additional Commonwealth Contributions through enhanced indexation and growth places. This equates to 24k law students or 960 dentistry students spread across 4 years. It is unlikely the University would choose either of these scenarios.

As explained above under more likely CPI assumptions this additional funding would be halved.

6. Do you expect to be able to fill those places?

Yes. Under current arrangements where the MBGA is indexed at population growth and the price per EFTSL is indexed at CPI the University would be required to reduce places by 0.75-1% per year just to remain below the cap. A significant portion of the ‘Growth’ will first go to maintain the existing profile that would otherwise need to be reduced.

7. Do you expect there will be unmet demand?

a. If so, please provide details of the shortfalls for each year, and the basis for those projections.

Yes. Long term demographic trends have the population of 18-year-olds in South Australia growing rapidly over the next 10 years with the annual rate reaching 4% in

2024. Year 12 completion rates continue to rise in SA. Short term economic conditions are driving young adults to further education. First preference applications for mid-year entry this year were up by 14% and the enrolment rate was up 20% on the same period last year. Early data shows similar growth for the 2021 semester 1 intake. The University has invested heavily in a suite of allied health programs that will commence students for the first time in 2021.

8. **Will Students in Cluster 1 immediately start paying at the cap for student's contributions?**

   As is the near universal practice across the sector, the University will charge the full amount designated in legislation for all new commencing students. Continuing students will be subject to grandfathering arrangements as described in JRG.

9. **In your existing modelling to date how much of student contribution will be directed back into that cluster?**

   The University's current practice is to allocate a set proportion of all student revenue (CGS as well as domestic and international full fees) on a pro rata basis to Faculties according to relative CGS revenue rates. In this way, the benefit of international student revenue is shared across the University. This practice is currently in hiatus as the University deals with the anticipated collapse in international revenue. No decisions have yet been taken on how internal distributions might be effected in the future.

10. **Will the Government contributions to cluster 1 be spent in this cluster or other clusters in 2021?**

    No decisions have yet taken on how internal University distributions might be effected in the future.