

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

- a. Taking into account only the elements in the legislation under consideration**
- b. Taking into account the full JRG package**

The University is still undertaking modelling exercises and comparisons with the Department's calculator. Answers below refer to general trends where this work is still underway.

From 2021 to 2023 transitional funding will prevent the University of Newcastle, like other Universities, from being adversely affected by the JRG package compared to the current funding arrangements over this period.

From 2024 we expect the JRG package to have a minimal effect on our Maximum Basic Grant Amount, however we note this is subject to variations in total student load and the mix of courses students choose to study.

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?

The University is still undertaking modelling exercises and comparisons with the Department's calculator. The answer below refers to general trends where this work is still underway.

The University of Newcastle has enrolled students significantly above our Maximum Basic Grant Amount cap since 2017. As a result, in 2024, the Department's calculator shows no or minimal change in the total amount of funding we will receive from the Government in 2024. However, on average, the University will receive less funding per student.

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 of Newcastle has not conducted sector-wide modelling.

Please note previous response with regard to the Department's calculations and our own modelling.

With regard to our own university, our modelling broadly aligns with the Government's calculator, showing the total funding for education the University receives in 2024 will be comparable to the amount received in 2019.

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

It is difficult to predict the effect of the JRG on enrolment patterns and course choices, as current enrolments do not predict future enrolments.

However, calculating based on our current enrolments and new fee structure used within the Department's Calculator:

The average student contribution paid by our ATSI students would be 3.7% higher under the JRG fee structure, compared to 2.9% lower for our non-ATSI students. This is due to a greater proportion of our ATSI students enrolling in courses with increased student contributions under the JRG fee structure (e.g. 13.0% of ATSI EFTSL in Social Studies, Political Science and Behavioural Science, compared to 8.4% non-ATSI).

The average student contribution paid by our female students would be 0.8% lower under the JRG fee structure, compared to 5.0% lower for our male students. This is due to a greater proportion of our female students enrolling in courses with increased student contributions under the JRG fee structure (e.g. 10.6% of female EFTSL in Social Studies, Political Science and Behavioural Science, compared to 5.7% men) and a greater proportion of our male students enrolling in courses with decreased student contributions under the new fee structure (e.g. 6.3% of male EFTSL in Mathematics, compared to 2.8% female).

- 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.**

Since a cap on the Maximum Basic Grant Amount was introduced in 2017, there is no longer a direct link between funding and places. For example, the University of Newcastle, among others, enrolls more students than were enrolled when the cap was put in place.

We are still working with the Government and the funding calculator with regard to additional funding.

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

Please see the answer to Q7 below.

- 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.**

In response to questions 6 and 7:

The University of Newcastle is committed to equity and widening participation, and seeks to offer students who have the capability and skills to succeed at higher education a place at university, while maintaining academic standards and ensuring financial viability.

A central pillar of our widening participation agenda is our free enabling program, which more than 3,500 students engage with annually. Under the Bill enabling programs will be removed from legislation, though the replacement policy (the Indigenous, Regional and Low-SES Attainment Fund, IRLSAF) is not yet developed. If the IRLSAF does not provide funding for enabling programs from 2024, this could significantly impact our ability to meet demand in our regions, which have significantly lower educational participation than the state and national average. We note the Minister for Education has worked constructively with the sector on this issue, and indicated the Government's commitment to continuing enabling programs.

Moving forward, the University will take into account amount of student contribution when considering the financial viability of enrolling students above the cap.

- 8. Will Students in Cluster 1 immediately start paying at the cap for student's contributions?**
- a. If not, what will the student contribution be?**
 - b. Please give details for each field of education code if it varies.**
 - c. Please provide these figures for 2021, 2022, 2023, 2024, 2025, 2026 from your current modelling.**

Grandfathering arrangements will mean existing students will pay a lower student contribution than the proposed JRG rate new students will be paying.

In the past, the University of Newcastle has charged the maximum student contribution to ensure financial viability. This approach is likely to continue.

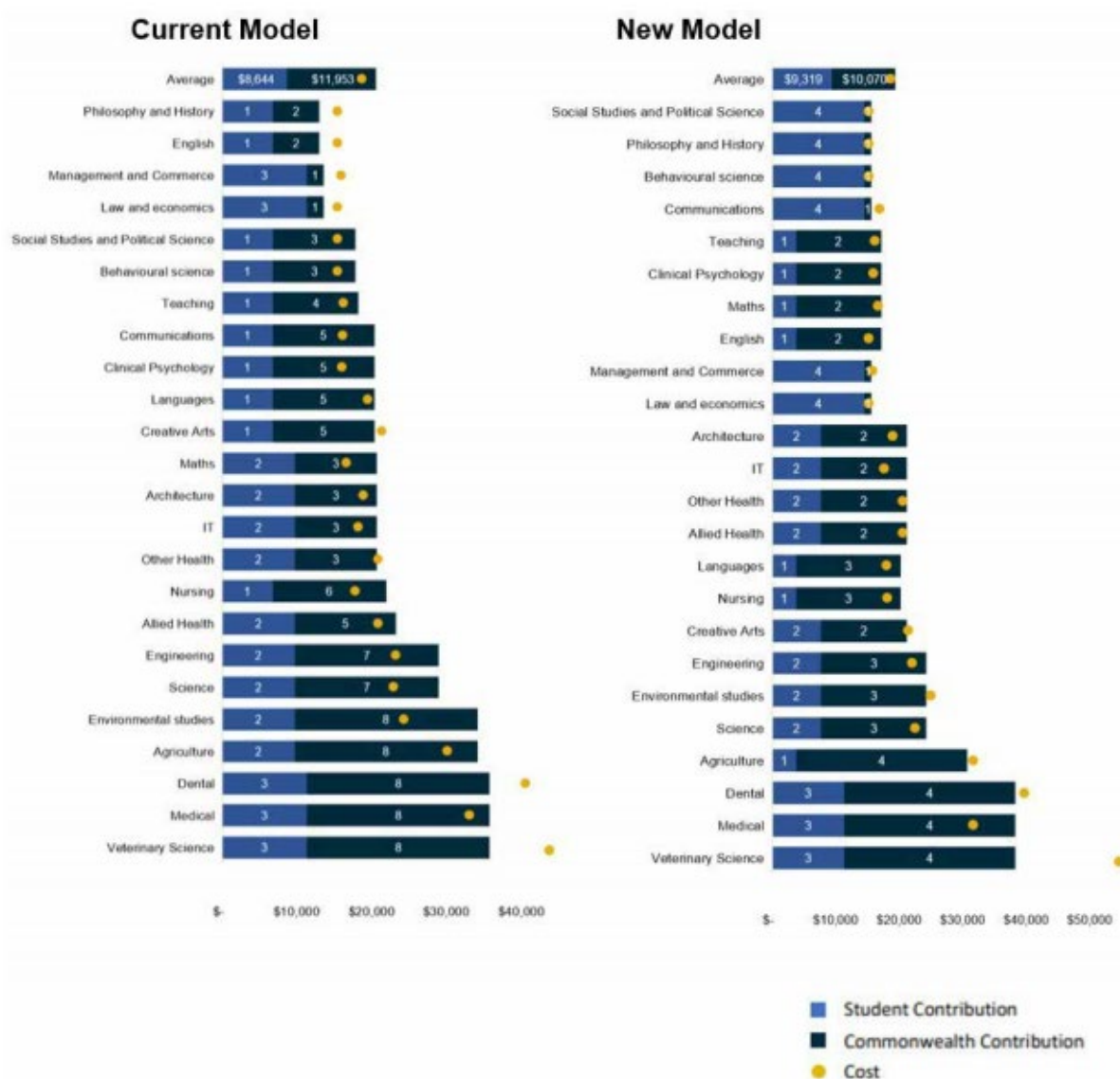
- 9. In your existing modelling to date how much of student contribution will be directed back into that cluster?**
- a. If it is not the same for each area in the cluster, please provide figures for field of education code.**
 - b. Please provide these figures for 2021, 2022, 2023, 2024, 2025, 2026 from your current modelling.**

Funding for education is effectively provided in a block grant, and we do not map amounts of funding per cluster against expenditure per cluster.

However, the cost of teaching for all disciplines at the University of Newcastle is approximately equal to or greater than the proposed JRG student contribution amount. Therefore, the University is likely to reinvest the same amount or more into each cluster in order to deliver courses.

See chart below provided by the Department of Education – our cost of teaching are higher than the light blue bars (JRG student contributions).

Figure 11 - A new funding model better matched to cost



10. Will the Government contributions to cluster 1 be spent in this cluster or other clusters in 2021?
 - a. If the funding for cluster 1 is not spent in cluster one, to which cluster/s will it be directed?
 - b. Please provide these figures for 2021, 2022, 2023, 2024, 2025, 2026 from your current modelling.

While within cluster one there are variations in the cost of teaching versus the government contribution, on balance an amount equal or greater than the Government contributions in cluster 1 will be spent in this cluster in all years going forward.

Questions taken on notice during inquiry

1. **Senator KIM CARR:** It's true—isn't it, Vice-Chancellor?—that as a result of this bill Indigenous students will actually be paying 15 per cent more. Is that the case?
2. **Senator O'NEILL:** So far today, the universities have indicated that they have not had the benefit of detailed modelling from the government. Without that modelling and the detail from the government, can you give us any sense of what the impact on specific groups of students would be? Is it your view that there'll be a 10 per cent increase in the average fees for women at your university? Or a 15 per cent increase for Indigenous students? And what have you found from the materials that you have at your disposal about the impact on first-in-family students of an increase, on average, of seven per cent?

ANSWER:

Please see answer to question 4 above.