

Professor David Lloyd: Questions on notice

Senator O'Neill questions on notice:

1. Are you concerned by the comments Former Liberal Party leader and current ANU Chancellor Julie Bishop and UWA Chancellor and former high court chief justice Robert French given both said that this package could have unintended consequences?

I'm not aware of the specific comments made by either of the two Chancellors – but I do not disagree with the possibility of unintended consequences arising from implementation of the legislation in the absence of the amendments requested (by us in our ATN submission).

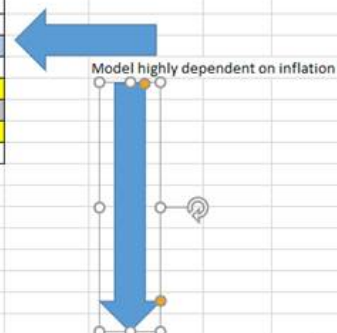
2. Do you agree with Julie Bishop's comments that "under these new arrangements, there is a greater incentive for universities to take in a higher number of law, commerce and humanities students than there is to take in students in engineering and maths...That appears to be contrary to the government's policy intentions"?

I disagree with the Chancellor's positioning of this legislation as an 'incentive' to take in higher numbers of students in the areas named – but I reiterate my comment in the hearing that some institutions may choose to exhibit that behaviour – a course of action the University of South Australia would not take.

Senator Pratt questions on notice:

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
*The University of South Australia has not undertaken any separate modelling based **only** on the measures included in the Bill. As commented in the hearing and in the ATN submission, with the exception of the change in funding clusters, other components of the JRG package that are essential for modelling the impact of the JRG package, such as the transition fund, growth factors and indexation are not in the Bill.*
 - b. Taking into account the full JRG package
See 3 below.
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 following table has been extracted from the Department's modelling, noting that it includes relatively optimistic CPI assumptions and because of this assumption suggest a break even by 2024.

Institution Summary					
Total EFTSL in 2019	18350				
Table 1: Total CGS and SCA					
	2021	2022	2023	2024	
Old CGS	\$ 188,421,092	\$ 191,047,896	\$ 193,621,546	\$ 196,199,404	
Old SCA	\$ 154,881,492	\$ 154,881,492	\$ 154,881,492	\$ 154,881,492	
Old Base Funding	\$ 343,302,584	\$ 345,929,388	\$ 348,503,038	\$ 351,080,896	
CGS	\$ 184,188,613	\$ 179,190,782	\$ 175,855,772	\$ 173,827,867	
SCA	\$ 142,434,875	\$ 150,843,510	\$ 157,149,987	\$ 161,879,844	
New Base Funding	\$ 326,623,488	\$ 330,034,292	\$ 333,005,759	\$ 335,707,710	
Change in Base Funding	-\$ 16,679,096	-\$ 15,895,096	-\$ 15,497,279	-\$ 15,373,186	
Additional Places Impact on Base Funding + CPI	\$ 1,953,912	\$ 5,453,603	\$ 9,610,486	\$ 13,931,891	
NPILF funding	\$ 7,000,000	\$ 7,161,000	\$ 7,325,703	\$ 7,479,543	
HEPPP Impact	-\$ 354,153	-\$ 708,940	-\$ 1,071,078		
Transition Fund 2021-23	\$ 8,079,337	\$ 3,989,433			
Estimated regional Indigenous funding (2019 load)	\$ 769,910	\$ 709,309	\$ 667,841	\$ 641,784	
Funding floor for higher education courses	\$ 183,418,703	\$ 178,481,473	\$ 175,187,932	\$ 173,186,082	
	\$ 2,278,568	\$ 6,403,512	\$ 8,155,288	\$ 8,439,647	
	\$ 12,446,617	\$ 4,037,982	-\$ 2,268,495	-\$ 6,998,352	
Inflation Assumption					
CPI 2021-2025					
	2021	2022	2023	2024	2025
CPI	1.80%	2.30%	2.30%	2.10%	2.30%



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?
To break-even in 2024 compared to the current capped funding model, the University will have to grow its Commonwealth Supported Places. University modelling indicates a \$6 million shortfall or 3.2% of CGS revenue in 2024 that would need to be recovered by student enrolment growth to achieve break-even. The University has modelled the \$6m shortfall assuming 1% CPI, however if inflation was lower than 1% the shortfall would be greater.
4. Please provide modelling on the impact on the fees paid by women students and indigenous students, based on your most recent enrolment data.
To date, the University of South Australia has not undertaken any modelling of the JRG package at the student cohort level.
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.
We are unable to provide estimates based on the government's calculator as the calculator does not extend beyond 2025. Please see question 2 above.
6. Do you expect to be able to fill those places?
Based on the growth factor in the JRG package of 1% for low-growth metropolitan based campuses, the University of South Australia expects to fill all additional places.
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.
The University of South Australia has not modelled student projections against the JRG Package. However, since the funding cap was imposed in 2017, the University has continued

to provide places for all eligible applicants and is approximately 9% above its MBGA funding cap.

8. Will Students in Cluster 1 immediately start paying at the cap for student's contributions?
The University of South Australia has no plans to vary the student contribution amounts in any funding cluster.

- 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.

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

As stated during the Education and Employment Legislation Committee hearing, the University of South Australia treats the student contribution as a grant allocation which is then invested across the institution's operations to ensure a high-quality teaching and learning and services for all students.

- 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.

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

As stated during the Education and Employment Legislation Committee hearing, the University of South Australia works from its maximum base grant amount and treats the Commonwealth contribution as a grant allocation which is then invested across the institution's operations to ensure a high-quality teaching and learning and services for all students. Income streams are dealt with on an aggregate basis.

- 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.