



SENATOR O'NEILL

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?

Any legislation might lead to unintended consequences. The assertion from Mr. French relates to his interpretation of 'overhead costs' being lower in humanities. The implication appears to be that universities might 'make money' on the humanities but this would not be correct as the entire basis for the funding model in the JRG relates to the reported cost of teaching and this includes the humanities disciplines. In the Flinders submission I have argued that the JRG is based on a flawed Deloitte's analysis that under-reports the cost of teaching. The JRG is therefore offering a funding level which is either at or below the cost of teaching. As such the concept of 'making money' would be somewhat moot

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"?

The Government posits that the combined Commonwealth Support and student contribution represents teaching "at cost" for each course based on the report by Deloitte. In the Flinders submission I have argued that the JRG is based on a flawed Deloitte's analysis that under-reports the true cost of teaching. This means that under the JRG we would be receiving less than it costs to teach each student. This situation would worsen if the MBGA cap is exceeded, whereupon additional students would be taught for student fee alone. Clearly there is no financial incentive to teach students for less than the cost of teaching.

SENATOR PRATT

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

In 2021 – 2025 we expect to be \$5.5m worse off.

There is no change predicted for 2021 – 2023 due to the transitional funding arrangements.

The variance is \$4.1m for 2024 & \$1.4m for 2025

b. Taking into account the full JRG package

We do not have enough detail to model this.

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 Departments calculator indicates we will face a shortfall of \$0.4m in 2024 whereas our modelling indicates we will face a shortfall of \$4.1m in 2024.

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?

In 2024 based on our modelling we would be \$4.1m worse off.

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

We do not model at this level and can't provide this data.

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.

Need more clarity on the request. The modelling from the Department only runs to 2024. The modelling assume growth however this is overall % funding increase that is not modelled in detail to be able to answer this.

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

We are modelling for a growth in future places that we expect to fill.

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, we are seeing strong demand in the South Australian domestic market.

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.**

Existing students are expected to have their fees grandfathered and so the answer would be no. Subject to the legislation then newly commencing students would be expected to pay at the cap which is set below the full cost of teaching.

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 is not distributed by courses. Currently about 40% of funding follows the student load to their course and the remainder goes to providing centralised university wide services.

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.**

Funding is not distributed by courses. Currently about 40% of funding follows the student load to their course and the remainder goes to providing centralised university wide services.