

The Senate Education and Employment Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

Email: eec.sen@aph.gov.au

22 September 2020

Dear Committee Members

RE: Senate Education and Employment Committee - Questions on Notice

Thank you for correspondence, received on 19 September 2020, in relation to the additional questions on notice, from Senator Pratt, for the Senate Education and Employment Committee inquiry into the Higher Education Support Amendment (Job-Ready Graduates and Supporting Regional and Remote Students) Bill 2020. Charles Darwin University (CDU) welcomes the opportunity to provide additional information in relation to this Bill (attached to this letter).

The tight timeframe and the complexity of the matters raised in the questions have presented some difficulties in providing robust and considered responses for some items. Attached is information taken from CDU's internal modeling of JRG to date, and our own comparisons to the modelling template recently supplied by the Department, which appear largely aligned. We also reference previous submissions to the Australian Government on this Bill.

CDU would be happy to provide any additional information that the Committee may require.

Yours sincerely

Professor Simon Maddocks
Vice-Chancellor and President

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 graph below shows the impact to CDU of the JRG package including all elements in the package as provide in the Technical Note updated by the Department on 3rd September 2020. This has been generated using the template provided by the Department on 15th September 2020.



CDU has verified this against the impact projections in our own modelling undertaken prior to receiving the template. There is a 1.0 - 1.7% difference in the funding amount between CDU's own model and the Department's template, CDU is seeking further clarification from the Department to understand this variance.

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?
 - Information to be provided by the Department

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?

- CDU's modelling shows excluding NPLIF and HEPPP, and only taking into consideration the Government Contribution and Student Contribution to Commonwealth Grant Scheme (CGS) student places that there is no cut to our base funding between 2019 and 2024, and in fact the overall amount increases. If the additional growth is added in this increase further.
- NPLIF and HEPPP add additional funding for student support and industry partnerships beyond this.
- In 2019 CDU received a total of about \$88.5 M in funding, for CGS students in 5071 Equivalent Full-time Student Load (EFTSL).
- However, in 2019 CDU was 14% over our allocated CGS funding cap. This means only 4492 of CDU's 5071 EFTSL generated CGS funding.
- Including only CGS and student contribution for the 4492 EFTSL funded under the CGS in 2021 this would have generated a base funding amount of \$84.7 M in 2019.
- This same 4492 EFTSL under JRG in 2024 would result in about \$89 M in base funding for CDU.
- However, the JRG also includes increase in the number of CGS places CDU receives. By 2024, under JRG CDU would receive an extra 423 EFTSL, taking the total funded EFTSL to 4915 EFTSL (compared with 4492 EFTSL in 2019).
- Once the additional funded places included in the JRG legislation are added into this, then the 4915 funded EFTSL in 2024 would result in \$94.5 M in base funding for CDU.

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

- The below is CDU's modelling of Table A Provider EFTSL as at the end of 2018 (this is using the latest publicly available EFTSL data). This is based on data without taking into consideration the Social Work and Psychology pathways change to cluster allocation, as the allocation of these units to the funding clusters depends on the accreditation, by professional bodies, of the individual programs at each university.
- For Female students our modelling shows, nationally
 - 40% pay more per EFTSL
 - 60% pay about the same or less per EFTSL
- For Indigenous students our modelling shows, nationally
 - 42% pay more per EFTSL
 - 58% pay about the same or less per EFTSL

If all units of study in psychology, behavioural science and social work were moved to the higher rate clusters and funding bands, then:

- 31% of females pay more, whilst 69% pay about the same or less; and
- 33% of indigenous students pay more, whilst 67% pay about the same or less.

The likely outcome will be somewhere between these two scenarios depending on how much of the psychology, behavioural science and social work units are picked up in the proposed higher cluster rates.

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.

- At a sector level this is difficult to calculate.
- CDU's modelling which is consistent with Department's modelling shows we will receive about 423 additional funded places as part of JRG.
- This is before factoring in any additional places for un-capped indigenous regional and remote students, or for any additional places awarded under the National Priorities Pool.

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

- In 2019 CDU had already filled and exceeded the 423 additional EFTSL provided under JRG. This has increased further in 2020.

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.

- CDU projects we will need an additional 1000 EFTSL per year by 2025 (over and above the 423 EFTSL provided by JRG) to meet the demand from the Northern Territory, and our Regional and Remote student footprint nationally.

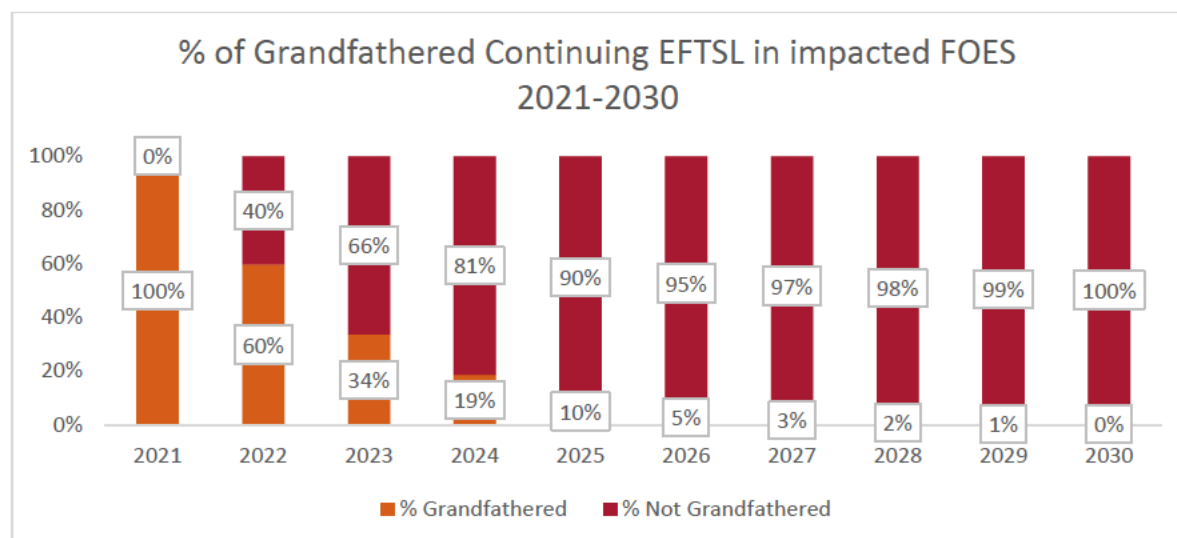
8. Will Students in Cluster 1 immediately start paying at the cap for student's contributions?

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 would be grandfathered until completion, and new students would pay at caps under the current JRG.
- CDU's modelling of our own student cohort, which are mostly mature age, and mostly study part-time and online shows that CDU students grandfathered at old rates will still likely be enrolled through to 2029.
- The graph below shows the proportion of CDU's continuing EFTSL in grandfathered fields of education (including cluster 1) that will be grandfathered (orange) and would not be grandfathered (red).



9. In your existing modelling to date how much of student contribution will be directed back into that cluster?
- If it is not the same for each area in the cluster, please provide figures for field of education code.
 - Please provide these figures for 2021, 2022, 2023, 2024, 2025, 2026 from your current modelling.
- CDU does not have specific modelling on this and is not able to provide this within the timeframe requested.
10. Will the Government contributions to cluster 1 be spent in this cluster or other clusters in 2021?
- If the funding for cluster 1 is not spent in cluster one, to which cluster/s will it be directed?
 - Please provide these figures for 2021, 2022, 2023, 2024, 2025, 2026 from your current modelling.
- CDU does not have specific modelling on this and is not able to provide this within the timeframe requested.