

01/08/2017

Committee Secretary
Senate Education and Employment Committees
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee,

Please find below the ATN's answers to the questions on notice.

Please note that the latest available public information is 2015.

CGS Funding

Going to the demand-driven system, could I get a sense from each of you of the increase in Commonwealth funding from 2009, when it was implemented, to 2016.

Ms Hindmarsh: I would be happy to provide that on notice.

CHAIR: Ms Thomson?

Ms Thomson: From 2012, when it was implemented, yes, to 2016.

Higher Education Finance Statistics – Commonwealth Grants and Other Grants.

The finance statistics does not break into solely CGS and study level.

	2012	2013	2014	2015
UTS	\$ 157,214,000	\$ 162,765,000	\$ 174,363,000	\$ 185,857,000
RMIT	\$ 209,917,000	\$ 230,097,000	\$ 240,401,000	\$ 250,901,000
QUT	\$ 252,152,000	\$ 253,845,000	\$ 252,342,000	\$ 262,246,000
Curtin	\$ 205,491,000	\$ 225,562,000	\$ 238,168,000	\$ 243,981,000
UniSA	\$ 174,703,000	\$ 181,150,000	\$ 176,938,000	\$ 186,051,000
ATN	\$ 999,477,000	\$ 1,053,419,000	\$ 1,082,212,000	\$ 1,129,036,000

Using data from the Department which breaks down CSP EFTSL by cluster and level, one can roughly estimate the undergraduate CGS received by each university. This does not include loadings.

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	2012	2013	2014	2015
UTS	\$ 138,081,863	\$ 150,274,975	\$ 167,049,221	\$ 177,909,981
RMIT	\$ 182,607,362	\$ 210,779,836	\$ 229,844,705	\$ 240,485,450
QUT	\$ 210,609,188	\$ 224,411,888	\$ 234,195,978	\$ 243,922,089
Curtin	\$ 167,925,423	\$ 191,344,878	\$ 207,569,812	\$ 210,297,237
UniSA	\$ 134,341,043	\$ 143,241,716	\$ 149,629,150	\$ 155,840,974
ATN	\$ 833,564,879	\$ 920,053,293	\$ 988,288,866	\$ 1,028,455,731

Teaching Costs

What I would also then like, given that you don't have that is your subsequent increase in teaching costs, and is everyone happy and able to do that?

The 2016 Review of the Cost of Delivery of Higher Education report has the FOE-weighted average costs per EFTSL for undergraduate study as costing \$16,025 in 2015. However, as indicated by the ATN in our earlier submission on the higher education reforms, it is our view that the Deloitte review does not accurately reflect the cost of teaching because it does not take all aspects of University operations into consideration. An excerpt from our submission can be found below.

“It is important to note that the Deloitte review: ‘*Cost of delivery of higher education*’ reflects only some aspects of university operations, and in no way can be used as a justification for further cuts to university funding. University operations extend far beyond just teaching. A more nuanced understanding of higher education funding is required.

For example, university expenditures often extend beyond any given financial year, regardless of when the income is received. Research grants are usually for longer than just one year and research infrastructure expenditure is rarely associated with a one off payment. It would be no different to assuming the costs of building a house are simply the costs of materials. Rather, the cost of building a house includes the costs associated with design, permits and engaging with councils plus the skilled workers. The same argument holds for universities. A basic interpretation of university finances and reported costs creates the illusion that universities have ample room on the balance sheet to simply absorb cuts – it needs to be understood that surpluses are not profits.”

Teaching Load

CHAIR: Your staff allocation—lecturers, senior lecturers. You apportion your staff's time to research, to teaching.

The Higher Education staff data collection includes information on the numbers and full-time equivalence (FTE). The below table is for the FTE for Full-Time, Fractional Full-Time and Casual

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staff at ATN universities as published as part of the Department's Higher Education Staff Data Collection. This data is not broken down by level.

		2012	2013	2014	2015
UTS	Teaching Only	398	389	421	453
UTS	Research Only	300	268	280	305
UTS	Teaching and Research	729	758	754	775
UTS	Other	1,619	1,682	1,648	1,694
UTS	Total	3,045	3,096	3,104	3,227
RMIT	Teaching Only	454	466	529	559
RMIT	Research Only	254	262	272	259
RMIT	Teaching and Research	948	910	912	1,006
RMIT	Other	1,729	1,757	1,867	1,992
RMIT	Total	3,384	3,395	3,580	3,815
QUT	Teaching Only	np	680	720	695
QUT	Research Only	np	467	526	561
QUT	Teaching and Research	943	995	1,012	1,053
QUT	Other	2,335	2,392	2,443	2,563
QUT	Total	4,349	4,534	4,700	4,871
Curtin	Teaching Only	606	np	613	700
Curtin	Research Only	314	334	409	408
Curtin	Teaching and Research	784	np	720	623
Curtin	Other	2,070	Np	2,245	2,247
Curtin	Total	3,775	3,950	3,987	3,978
UniSA	Teaching Only	377	384	438	454
UniSA	Research Only	379	428	496	488
UniSA	Teaching and Research	711	663	571	534
UniSA	Other	1,602	1,625	1,617	1,577
UniSA	Total	3,069	3,100	3,122	3,053

Student – Staff Ratios

I would like to understand your staff-student ratios for undergraduate courses over that same time period.

From Appendix 7.1 Student-Staff ratios of the Higher Education Statistics. Student-Staff Ratio = Student EFTSL (Equivalent Full-Time Student Load) / Staff Academic FTE (Full-Time Equivalent) (including casual). It is not possible to determine the undergraduate student-staff ratio as the data is not collected on this basis. Student EFTSL could be determined however staff data is not collected on that basis and would present a misleading picture of the actual student staff ratios if just academic staff were used as the denominator.

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	2012	2013	2014	2015
UTS	22.48	22.78	23.16	23.79
RMIT	21.64	23.66	23.91	22.78
QUT	20.90	20.21	20.26	20.51
Curtin	19.31	19.93	22.17	22.52
UniSA	19.72	20.75	21.64	22.14

Advertising and Marketing

CHAIR: If you feel that adding in your international data will assist my understanding, please do it. Could I have a sense of the advertising and marketing budgets for the Group of Eight?

Ms Thomson: I would have to provide that on notice.

CHAIR: Thank you. Mr King?

Mr King: Ditto.

CHAIR: Ms Hindmarsh?

Ms Hindmarsh: And me.

Higher Education Finance Statistics – Advertising, Marketing and Promotional Expenses.

	2012	2013	2014	2015
UTS	\$ 3,630,000	\$ 3,833,000	\$ 5,557,000	\$ 5,216,000
RMIT	\$ 12,055,000	\$ 12,641,000	\$ 15,467,000	\$ 14,468,000
QUT	\$ 10,395,000	\$ 11,640,000	\$ 12,587,000	\$ 13,584,000
Curtin	\$ 7,492,000	\$ 7,369,000	\$ 7,761,000	\$ 6,531,000
UniSA	\$ 6,860,000	\$ 6,693,000	\$ 6,867,000	\$ 6,714,000
ATN	\$ 40,432,000	\$ 42,176,000	\$ 48,239,000	\$ 46,513,000

It should be noted that Advertising, Marketing and Promotional Expenses as a percentage of Total Revenues from Continuing Operations have remained relatively flat.

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	2012	2013	2014	2015
UTS	0.6%	0.6%	0.8%	0.7%
RMIT	1.4%	1.4%	1.6%	1.4%
QUT	1.2%	1.3%	1.4%	1.4%
Curtin	0.9%	0.9%	0.9%	0.7%
UniSA	1.3%	1.1%	1.2%	1.1%
ATN	1.1%	1.1%	1.2%	1.1%

What is the assessment of financial impact on each of your members, from the cuts – both efficiency dividend and performance funding – for each of your members over the next four years?

The impact of the efficiency dividend has to be taken in conjunction with the offsetting of CGS and Student Contributions. These estimates use 2015 EFTSL.

	2018	2019	2020	2021	2018-21
UTS	-\$4,960,603	-\$9,717,163	-\$9,643,871	-\$9,561,641	-\$33,883,278
RMIT	-\$6,484,411	-\$12,703,697	-\$12,619,155	-\$12,522,732	-\$44,329,995
QUT	-\$6,991,211	-\$13,693,747	-\$13,557,528	-\$13,411,238	-\$47,653,724
Curtin	-\$6,029,022	-\$11,808,581	-\$11,669,844	-\$11,520,232	-\$41,027,679
UniSA	-\$4,532,384	-\$8,875,072	-\$8,779,244	-\$8,677,388	-\$30,864,088
ATN	-\$28,997,631	-\$56,798,260	-\$56,269,642	-\$55,693,231	- \$197,758,764

Performance funding could result in a maximum loss of 7.5% on forward CGS estimates which is indicated below.

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	2018	2019	2020	2021	2018-21
UTS	\$13,815,560	\$13,238,967	\$13,020,604	\$12,798,827	\$52,873,959
RMIT	\$18,891,105	\$18,154,235	\$17,885,220	\$17,612,073	\$72,542,633
QUT	\$19,416,448	\$18,597,698	\$18,286,091	\$17,969,369	\$74,269,605
Curtin	\$17,948,283	\$17,260,601	\$17,012,154	\$16,759,801	\$68,980,838
UniSA	\$13,323,080	\$12,804,770	\$12,615,835	\$12,423,775	\$51,167,459
ATN	\$83,394,475	\$80,056,271	\$78,819,903	\$77,563,845	\$319,834,494

Do all of your members support the postgraduate voucher scheme proposal?

As the ATN articulated in our submission to the Senate Committee, the ATN is supportive of the changes to the postgraduate CSP allocations which will result in a student-centric system with a more equitable distribution, whereby the student attracts the CSP funding and not the institution. The move to this system will increase student transparency while also helping to rid the postgraduate CSP system of historical discrepancies. However, we would note that there will need to be close consultation with the sector in order to ensure that the new system is well designed.

How can the performance funding system be better designed?

The ATN recognizes that if this Bill passes the Parliament the university sector will need to work with the government on implementation details; however, we would urge that the timing of these changes are given serious consideration to ensure proper implementation. There is a risk that if changes are rushed it will result in unintended consequences. It is not clear how Universities will plan with any certainty when such a significant portion of funding is potentially at risk.

What is your assessment on the regulatory impact of this bill?

It is very hard to make that assessment when many of the details will be determined by guidelines and regulations at a later date, particularly with regard to the performance measures changes.

Please do not hesitate to contact the ATN Directorate on (02) 5105 6740 or via e-mail at info@atn.edu.au to discuss any elements of the above.

Yours sincerely,

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