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Mr Rod Manns
Branch Manager
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Department of Education, Science & Training
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14 December 2007

Dear Rod

Re: JCU Dental Surgery Program (Cairns)

Please find below a summary of the Dentistry Program in Cairns and the associated funding timelines, as requested in our recent telephone conversation.

Agreed Funding

The University was successful (through the 2007 Federal Election) in gaining funding and a total of 300 places for a 5 year Dental Surgery Program to be offered on the Cairns Campus, commencing in 2009.

The funding commitment totalled \$52.5m which represented the 4 year DEST funding cycle. It is assumed that the funding arrangement for the full 5 year Dentistry Program would be as follows:

Table 1: Commonwealth Funding

Commonwealth Funding	2009	2010	2011	2012	2013
	\$m	\$m	\$m	\$m	\$m
Capital					
Dentistry Building	30.000	-	-	-	-
Student Amenities (Refectory)	2.000	-	-	-	-
Facilities Establishment	1.000	-	-	-	-
Total Capital	33.000	-	-	-	-
Student Places (CGS Funding)	1.115	2.276	3.413	4.551	5.689
Clinical Outreach	2.000	2.000	2.100	2.100	2.200
Total Funding	36.115	4.276	5.513	6.651	7.889
Cumulative Funding	36.115	40.391	45.904	52.555	60.444

Note:

The Funding Announcement is for 4 years, totalling \$52.5m. However, the funding commitment for the student places is ongoing (with intake of 60 places, at 100% pipeline over 5 years), and the funding for the Clinical Outreach is \$2m per annum for 5 years.

Student Places

Commencing in 2009, the funded student intake is 60 places, with 100% retention over the five years of the Dentistry program, which totals 300 EFTSL, fully pipelined. The CGS Funding is calculated using 100% Cluster 7.

It is expected that the University will offer a limited number of international fee paying places from year 3 (2011).

Capital and Start-Up Funding

Capital Funding of \$33m has been provided. The funding will be allocated as follows:

- \$30m for the Dentistry building on the Cairns campus, including fitout and equipment;
- \$2m to provide student amenities (refectory) on the Cairns campus;
- \$1m for startup costs. These include the fitout of temporary teaching facilities in the refectory, transport and accommodation costs for students to travel to Townsville for specialist facilities (eg. anatomy laboratory), and to establish the discipline in Cairns (eg. course development and staff recruitment). These temporary arrangements for teaching space and use of facilities on the Townsville campus are required to enable teaching to commence in 1st semester 2009, which will be prior to the completion of the Dentistry facility in Cairns.

Clinical Outreach Funding

The University has been successful in gaining funding for a Clinical Outreach program for Dentistry students (similar to the Clinical School for medical students) of \$2m per annum for five years which will provide infrastructure and resources for practical training. The Outreach program aims to ensure that future dentists can do their practical training in remote localities across Northern Australia including Mackay, Proserpine, Atherton and Thursday Island.

Clinical Training

One of the critical factors for JCU to proceed with the Dentistry Program was the out-sourcing of the Clinical component to Queensland Health. Negotiations between JCU and Queensland Health to this point have been very promising. Queensland Health has agreed to provide Clinical supervision and 40 dental chairs for 60 students by 2011, increasing to 50 chairs for 75 students by 2014, for 5th year clinical placement.

Cashflow

It is proposed that the University receive two lump sum payments for the \$33m, the first in July 2008 of \$18m, and the remainder (\$15m) in December 2008. The proposed payment dates are the result of initial discussions with DEST. It was agreed that the University would finance the start-up costs in the first half of 2008, with the first payment from DEST to coincide with the new financial year, and the final payment in December 2008. The receipt of the full payment in 2008 will assist the University in offsetting the financial impact for the University of the upfront financing.

Please refer to the following table for details on the Commonwealth Income Cashflow.

Table 2: Commonwealth Income Cashflow

Inflow/Outflows	Jan- June 2008	July-Sep 2008	Oct-Dec 2008	Jan-Jul 2009	Total
	\$m	\$m	\$m	\$m	\$m
Commonwealth Funding					
Capital – Dentistry Building		15.000	15.000	-	30.000
Capital – Student Amenities		2.000	-	-	2.000
Start-Up		1.000	-	-	1.000
Total Inflows		18.000	15.000	-	33.000
Expenditure					
Capital – Dentistry Building	3.000	5.000	10.000	12.000	30.000
Capital – Student Amenities	2.000	-			2.000
Start-Up	1.000	-			1.000
Total Outflows	6.000	5.000	5.000	12.000	33.000
Net Inflows/Outflows	(6.000)	13.000	5.000	(12.000)	-

For further information on the proposed financing arrangements, please contact Jackey Kelly, Manager Treasury and Corporate Services (email: Jacqueline.Kelly@jcu.edu.au, phone: (07) 4781 4903).

Yours sincerely,



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