

National Perspective: University Finance and Management Trends

Carolyn Allport, NTEU National President, began the second day with a briefing on the state of tertiary education funding nationally and CQU's relative position. Since 1996, for example, there has been a significant reduction in government funding, most notably the unfunded Enterprise Bargaining Agreement, and a growing trend in internationalisation.

Overall Funding

The sector as a whole and many universities now depend upon the government for less than half of their overall funding (~47%). The government cuts were to students and operating grants, based on the forward estimates, and CQU was least affected of any university.

Students are increasingly paying more for their education, yet HECS monies are part of the government's general revenues and do not flow through to universities. Commonwealth funding for indigenous education is falling and ABStudy funding seems to be either falling or flattening out.

Research Funding

The Research White Paper has no increase in funding.

- Research places will be reduced and reallocated. CQU stands to lose 53 fully-funded research places.
- Research quantum will disappear and be in an openly contestable fund (private providers with a research management plan included).

Other comparable universities, such as USQ, are receiving significantly more research funding than CQU. Why?

Other Funding Sources

- Operating grants are indexed annually based on safety net increases (~1.7-1.8% annually).
- Over-enrolment payments are an extra source of funding that is delayed by a year. However, the per student funding is roughly \$2,600 per place, ie less than 20% of the normal funding, represents doing more with the same people and the same infrastructure.
- An additional \$249 million is available to the sector from the Kemp/Reith productivity salary supplementation of 2% for signing up to workplace reforms.

Fee Paying Students

In 1990 Australia had 4,933 domestic, mostly postgraduate, fee-paying students. By 1999 this had risen to 25,896. CQU's domestic fee-paying students are mostly in Business and most fees are likely paid by employers.

In 1994 Australia had 34,672 overseas fee-paying students, rising to 78,078 by 1999 and the sector is now considered by many to be a serious export earner.

Working Environment

The recent survey of the sector wide working environment reported:

- Staff perceive restructuring to be a tool to downsize, not enhance organisation efficiency.
- 88.8% of academic and 52.7% of general staff reported working more than 40 hours per week with means of 52.8 and 40.8 hours/week for academic and general staff respectively.
- Part time staff work an average of 30 hours/week.
- 83% of academic and 77.2% of general staff reported an increase in workload since 1996.

- 72.8% of all staff indicated jobs have become more stressful (nearer 82% for academics) since 1996.
- Causes of workload stress include workloads, low quality of university managements, low morale and a culture of continual change.

CQU

While there was some debate about the actual breakdown of students and DETYA definitions, it appears that:

- ~42% of CQU students were enrolled in external mode in 1999.
- ~5,000 CQU students were enrolled on a commercial campus.
- CQU received \$1.2 million (1999) for over-enrolment.
- CQU's EFTSU:FTE Staff ratio is 23.5:1 (AVCC figures: All staff with teaching or research functions, includes an estimate of casual staff). [Note: Commercial campus staff would not be included, although the student load likely would be.]

Financial Management

Overall the financial health of the sector is decreasing (Deloitte-Touche-Tohmatsu study) and CQU is significantly above the 'Current Ratio' (current assets: current liabilities) for both the sector and McKinnon's target benchmark, implying that CQU may be 'wasting money'.