

# **Australian Catholic University**

## **Responses to Questions on Notice and Supplementary Questions**

### **Portfolio Committee No. 3 – Education ‘Future Development of the NSW Tertiary Education Sector’**

**Hearing date: 7 September 2020**

## Australian Catholic University Responses to Questions on Notice

### QUESTION ONE

**Mr DAVID SHOEBRIDGE:** Thank you all for your attendance today. I asked a series of questions of the three institutions we heard from earlier today about rates of permanent, fixed term and casual staff, including just raw numbers and also full-time equivalents. I might just ask if each of you have that data to hand and, if you do not, if you could provide it on notice, starting with you, Professor Skrbis.

**Professor SKRBIS:** Thank you so very much. I do have full-time equivalent data. Unfortunately, I do not have head count data but I am happy to take this on notice and provide that following the meeting. In terms of our staff numbers we have 2,477 full-time equivalent staff, of which 571 are casual.

### *Response*

ACU's staff headcount as at August 2020 is:

STAFF HEADCOUNT	NO.
Continuing (permanent)	1,632
Fixed term	476
Casual	1,605
<b>Total</b>	<b>3,713</b>

It should be noted that numbers of casuals are not static and continually increase and decrease depending on time of the year.

In 2019, the last year for which Australian Catholic University (ACU) has data for the full calendar year, the university employed 1,468 casuals classified as professional staff and 2,819 classified as academic staff during the 12-month period. Casual staff perform a variety of roles, in some cases for very short periods.

**QUESTION TWO:**

**Mr DAVID SHOEBRIDGE:** This panel shows diversity across the sector. One of the responses we have seen in some universities has been to see senior management offer to take a haircut on wages, particularly vice-chancellors, and you would have seen that at UNSW, UTS and University of Sydney. I am going to ask each of the three of you, what has been the approach in terms of senior management salaries and, in particular, vice-chancellor salaries, which many of you would be aware are often critiqued for the disparity between those salaries and academic staff? That is a long question.

**Professor SKRBIS:** I am not the president of the Australian Catholic University, so I cannot speak on behalf of our vice-chancellor. Having said that, no staff has currently been impacted negatively.

**Mr DAVID SHOEBRIDGE:** In terms of actual salary or any reduction, I am more than happy for you to take that on notice for the president.

**Professor SKRBIS:** Sure, but I can answer the question that there have been no cuts to salaries at the senior or other levels across the board.

***Response***

As noted during the committee hearing, no ACU staff member – at any level – has been asked to take a salary reduction as a result of the pandemic.

### QUESTION THREE

**Mr DAVID SHOEBRIDGE:** Thanks to each of you. One of the responses to the COVID-19 pandemic has been to move to online exams. I think at least two of the three institutions here have moved to having ProctorU oversight the exams. There are very real exams about privacy, about data breaches and about the very intrusive nature of ProctorU when it comes to exams for students. I suppose I will give each of you the opportunity to respond to those concerns. You would have seen the data breach and you would have known, for example, that ProctorU gets access to the camera and access to the computer of students doing exams

**Mr DAVID SHOEBRIDGE:** And the ACU?

**Professor SKRBIS:** May I take this on notice? We have done due diligence. We are aware. My response would not be dissimilar to Professor Glover's.

#### *Response*

ACU uses a number of third-party software solutions, including ProctorU, to deliver services to students.

We undertake extensive legal, governance and privacy evaluations of the services that we use, and we regularly review them as further information becomes available.

We do not subscribe to Live Plus, which is the ProctorU service where a person is watching the students in real time, but have made use of the Review Plus service for a small number of online invigilated examinations for 2020 as a mitigation strategy, specifically in response to COVID-19 business continuity requirements.

ACU has sought assurances from ProctorU that they are addressing the data privacy concerns to avoid issues of the like raised by Mr Shoebridge. ProctorU's ongoing response to this data breach will be a key consideration in whether we use them again beyond 2020.

# Australian Catholic University Responses to Supplementary Questions

## QUESTIONS 1-5: UNIVERSITIES

1. Universities are significant economic hubs, due to their physical presence. Have you done any modelling on job losses on campus - not academics, or professional staff, but in the retail, food and other outlets? I understand they often aren't run by the university, but they are almost solely reliant on them.
2. What efforts have you made to diversify the make-up of your university's international students in recent years?
3. Have you piloted or introduced any innovative ways to support online learning either here or overseas as a result of the COVID-19 pandemic? For example, learning hubs.
4. WSU has recommended a conditional waiver of payroll tax for NSW universities. Would you support a waiver? What conditions would you support being attached to this waiver?
5. Have you been invited or participated in any NSW government trade delegations in the past five years? Could you please provide a list of any delegations you have participated in?

### *Response*

The sudden onset of the COVID-19 pandemic has created a difficult situation for the university sector on many fronts. One of the greatest challenges has been a drop in the number of international students able to commence or continue their studies.

International students make up 14 per cent of ACU's student body – a modest proportion compared with many other Australian universities. ACU's international students come from a range of countries, including Nepal, India, China, Vietnam, South Korea, the Philippines, the United States of America, Kenya, Zimbabwe and Nigeria.

ACU has undertaken a range of initiatives to mitigate the effects of the COVID-19 pandemic on staff, students and the wider ACU community.

The university is constantly in touch with all its retail, food and other outlets to gauge the ongoing impact of the pandemic on them and has supported some outlets with subsidies.

ACU has also assisted students to continue their studies with a minimum of disruption. As a multi-jurisdictional university operating across four states and one territory, ACU made use of technology in its operations, including for teaching, prior to COVID-19. ACU has worked hard throughout the course of this year to further ramp up its online teaching and operations.

ACU is supportive of any NSW Government initiatives to assist universities with the severe financial impacts of the COVID-19 pandemic and would support a non-recourse waiver of payroll tax for NSW universities that would not have to be repaid at a later date.

To date, ACU has not participated in any NSW government trade delegations.

## QUESTIONS 6-19: QUESTIONS FOR ALL VICE-CHANCELLORS

6. What is the current amount in your reserve fund/general reserve fund?
7. What is the stated purpose of your reserve fund/general reserve fund? Where is this stated?
8. How much of the money in reserve has restrictions on how it can be spent?
9. When was the last time you drew upon your reserve/general reserve? How much did you draw upon and for what purpose? When would you usually draw upon your reserves?
10. Is your general reserve more valuable than the total deficit you expect to achieve in the next five years due to COVID-19? How much more valuable?
11. Do you plan to draw upon your reserve/general reserve in order to cover some or all of your total deficit over the next five years? If so, how much do you plan to draw upon? If not, why are you not planning to use your reserve/general reserve to cover some or all of your deficit?
12. What measures do you plan to take to cover your losses in revenue due to COVID-19, and why have you chosen those measures rather than choosing to draw upon your reserves/general reserves?
13. What proportion of job cuts at your institution are estimated to be a result of a drop in student enrolments?
14. How many highly paid executive staff will be made redundant in your institution?
15. Will they be offered voluntary redundancies?
16. How have your sources of corporate funding been affected by COVID?
17. To what extent have your other sources of funding been affected - reduced or increased, and by how much?
18. What restrictions exist on funding – for what amounts, from what sources and what are those restrictions?
19. Please provide a breakdown of aggregate funding from all sources for the previous three years and forward estimates for the next three years including:
  - (a) government funding,
  - (b) corporate donations,
  - (c) bequests,
  - (d) commercial activities carried out by the University,
  - (e) student fees - both domestic and overseas,
  - (f) academic grants (provide sources), and
  - (g) all others.

### *Response*

Detailed financial information, including a breakdown of the university's sources of funding, is contained in ACU's annual report, which is available at: <https://www.acu.edu.au/about-acu/leadership-and-governance/governance/corporation/annual-reports>

ACU is in a relatively strong financial position compared with other universities in the sector. This is due to prudent financial and risk management, including maintaining a responsible level of international enrolments and adhering to clear financial ratios in recent years.

ACU notes that COVID-19 has created a financial situation that is extremely fluid. ACU's financial and budgetary position is being continually monitored and adjusted to take into account these constantly shifting circumstances, including:

- changes to higher education funding;
- coronavirus restriction levels (particularly in Victoria); and
- the outlook for the return of international students to Australia.

ACU's continual reviewing of its financial position reflects the university's determination to be able to react quickly and responsibly to changing conditions to ensure the best possible outcomes for students and staff.

Latest forecasts are for a reduction in revenue of \$115 million across 2020-22. Cuts to expenditure over that time are forecast to be \$67 million, with the remaining \$48 million to be obtained from a reduction in the university's projected surplus.

While an operating surplus is essential for various purposes – including to fund infrastructure investment and capital works, and to meet debt servicing obligations – ACU has elected to reduce surpluses over this period to mitigate the impact of expenditure cuts on core activities and staff.

As such, the \$48 million surplus reduction has been termed the Reinvestment Fund, as it reinforces the commitment of the university to its staff and students, maintaining its investment in them throughout the current difficult period. To date, there have been no forced redundancies or pay cuts at ACU as a result of COVID-19.

ACU continues to update its financial forecasts as further information becomes available and is actively managing its budget to ensure the university remains on a sound financial footing.