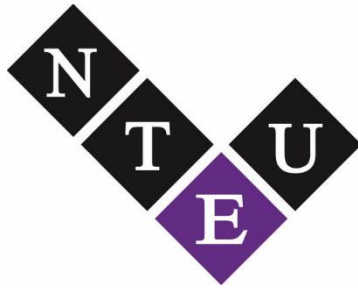


Submission
No 22

INQUIRY INTO FUTURE DEVELOPMENT OF THE NSW TERTIARY EDUCATION SECTOR

Organisation: National Tertiary Education Union

Date Received: 24 July 2020



National Tertiary Education Union

National Tertiary Education Union

Submission

to the

NSW Legislative Council

PORTFOLIO COMMITTEE NO. 3 - EDUCATION

Inquiry into the future development of the NSW tertiary education sector

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NSW Legislative Council

PORTFOLIO COMMITTEE NO. 3 - EDUCATION

Inquiry into the future development of the NSW tertiary education sector

TERMS OF REFERENCE

That Portfolio Committee No.3 – Education inquire into and report on the future development of the NSW tertiary education sector and, in particular, the impact on NSW of:

1. (a) Tertiary education's economic development role, especially university campuses and Country University Centres (CUCs) in regional NSW;
 - (b) The mission of NSW universities with a particular focus on the role of universities to serve specific geographic communities;
 - (c) The post-pandemic return of foreign student numbers and the financial sustainability and risk management strategies of NSW tertiary education institutions;
 - (d) The quality of university teaching and research, including the extent and impact of insecure employment in the sector;
 - (e) Levels of integration of the tertiary education sector with industry;
 - (f) The quality of campus life and student freedom of expression;
 - (g) Foreign political interference within the NSW tertiary education sector;
 - (h) The current levels of coordination and/or support provided to NSW universities by the NSW Government;
 - (i) The recent experience with online learning and lessons for the further development of alternative models of tertiary education service delivery;
 - (j) The appropriateness of current NSW legislation regulating, overseeing and enabling tertiary education; and
 - (k) Any other related matters.
2. That the Committee report by 30 November 2020.

NTEU Submission

NSW Legislative Council

PORTFOLIO COMMITTEE NO. 3 - EDUCATION

Inquiry into the future development of the NSW tertiary education sector

Introduction

The National Tertiary Education Union (NTEU) represents the professional and industrial interests of over 30,000 staff working in higher education, including staff in Australia's universities and research institutes and other tertiary sector organisations.

Our membership extends from professional/general to academic staff, from world-leading experts across all academic disciplines including researchers, technical and administrative staff, to trades and related staff. All universities and their staff and students have been adversely affected by the COVID19 pandemic.

In this submission we will not attempt to address the full scope of the inquiry's terms of reference, but rather limit our submission to the following aspects:

- 1) The economic and employment importance of NSW's public universities,
- 2) Financial and employment impact of COVID19.

Recommendations

The NTEU is asking the Committee to recommend that:

- 1) Universities be required to include in their annual reports data on the number (headcount) and FTE for tenured, limited term and casual staff for academic and general professional staff.**
- 2) Being public institutions, universities be required to continually undertake analysis to identify potential financial risks and transparently report on the capacity of their cash and investment holdings, particularly their ability to withstand risks an unanticipated reduction of revenue may create.**
- 3) Universities be required to report on changes in the composition of permanent, limited term and casual staffing levels (both number and headcount) and provide an explanation for any such.**
- 4) Universities be required to report on the number of casual and limited term employees that:**
 - have their contracts renewed each year,**
 - do not have their contracts renewed.**
 - are newly appointed.**

1. Importance of NSW's Public Universities

There are 10 public universities in NSW, each established by Acts of the NSW Parliament. These universities:

- Charles Sturt University (CSU) - Bathurst, Albury, Wagga Wagga, Dubbo
- Southern Cross University (SCU) - Lismore
- University of New England (UNE) - Armidale
- University of Newcastle (NEWC) - Newcastle, Ourimbah and Port Macquarie
- University of Wollongong (WOLL) – Wollongong, South Coast
- Western Sydney University (WSU) - Campbelltown, Parramatta, Kingswood
- Macquarie University (MAC) - Ryde
- University of Technology Sydney (UTS) - Sydney CBD
- University of NSW (UNSW) - Randwick
- University of Sydney (SYD) - Sydney CBD

As is outlined in more detail below, public universities are a very important part NSW's economy and society. These ten public universities:

- in 2018 educated some 422,000 students of whom:
 - 300,000 (71%) were domestic students, and
 - 122,000 (29%) were overseas students
- in 2019 employed 64,722 employees comprised of whom:
 - 21,906 ongoing permanent employees,
 - 13,892 employees on limited term contracts, and
 - 28,924 casual employees
- financial impact in 2018 included
 - generating over \$10billion in total revenue, including almost \$3billion in overseas student fees income, and
 - spending \$5.4billion on employee benefits.

As will be obvious from the following analysis, the onset of COVID19 has the potential to have very adverse impact on NSW's public universities. Given the very high levels of insecure employment, the NTEU is concerned that much of the pain suffered by our universities will be borne by their staff.

Income

As shown in Table 1, in 2018 NSW's public universities generated total revenues in excess of \$10billion, which accounted for 30% of all Australian public university revenues. Victoria was the second largest state to generate revenue, at a \$9.8billion or 18% of the Australian total. While Southern Cross University (SCU) generated some \$270m, the University of Sydney generated almost ten times that, at \$2.5billion. The five universities based outside of Sydney (Regional – SCU, UNE, CSU, NEWC and WOLL) generated total revenues of \$2.6billion which accounted for 26% of the State's total.

Table 1 also shows the value of the Commonwealth Grants Scheme (CGS) payments universities received for the education of fulltime equivalent government-supported students (referred to as Commonwealth Supported Places or CSPs). The value of CGS payments in Table 1 is only the government contribution and does not include student contributions financed via the Higher Education Loans Program (HELP). This has been highlighted because the 2020 level of this funding was guaranteed by the Commonwealth in response to COVID.

The data shows that the value of CGS-GOV for all NSW universities was just in excess of \$2billion, which accounted for 20% of their total revenue. The data however also reveals there to be a great variation in the proportion of total revenue amongst universities, ranging from 12% and 13% for SYD and UNSW respectively to 37% for UNE and 33% for WSU. Regional universities as group were more reliant on CGS funding (29% of total revenue), compared to Sydney based universities (17%).

In 2018 NSW universities earned almost \$3billion in overseas student fee income. This is especially important given the impact that COVID19 has had on overseas students' ability to study in Australia. This accounted for 29% of total revenue, and it should be noted significantly exceeded the value CGS-GOV payments. In other words, overseas students contributed more to NSW university coffers than did the Commonwealth government's teaching grants. Again, individual universities' dependence on overseas fee income varies considerably, with MAC, UNSW, UTS and SYD all receiving more than 30% of their total revenue from this source. By contrast overseas fee income only accounted for 8% of UNE's revenue and 15% for NEWC and WSU.

The dependence by our universities on overseas student fee income exposed the sector to financial risk, which has now been realised as a result of the impact of COVID19 on higher education. This is discussed in more detail below.

Expenses

Table 1 also shows that NSW's public universities spent a total of \$9.8billion in 2018. In line with income, this accounted for 30% of Australian university expenditure. Of this amount just over half (55%) or \$5.4billion was spent on employee benefits (wages, superannuation, leave etc). Sydney university alone spent \$1.3billion, representing 57% of total expenses on employee benefits, closely followed by UNSW (\$1.1billion – 55%). SCU spent \$141million on employee benefits (52%). While CSU spent \$301m on employee benefits, this was the only university where this represented less than half (49%) of total costs.

Given that employee benefits on average account for over half of total university costs, we fear that any cost cutting exercise to respond to COVID19 will be disproportionately borne by university employees, especially those that do not enjoy secure employment, as discussed below.

Table 1

University Financial Information 2018 (\$m)									
University	TOTAL REVENUE	CGS GOV	CGS GOV %	OSEAS F&C	OSEAS F&C %	TOTAL EXPENSES	EMP EXPENSES	EMP EXP %	OPERATING RESULT
Southern Cross University	270	84	31%	74	27%	270	141	52%	0.1
The University of New England	319	118	37%	24	8%	342	193	57%	-22.4
Charles Sturt University	610	185	30%	158	26%	609	301	49%	0.9
University of Wollongong	657	150	23%	169	26%	650	369	57%	7.8
University of Newcastle	767	232	30%	114	15%	742	422	57%	24.8
Western Sydney University	909	299	33%	133	15%	822	431	52%	86.8
Macquarie University	1,010	180	18%	309	31%	957	531	56%	53.5
University of Technology, Sydney	1,050	220	21%	362	35%	975	566	58%	74.7
The University of New South Wales	2,130	286	13%	712	33%	2,118	1,163	55%	12.6
The University of Sydney	2,500	305	12%	885	35%	2,331	1,325	57%	169.6
						0	0		0.0
New South Wales	10,223	2,060	20%	2,942	29%	9,815	5,443	55%	408.4
NSW % Total	30%	28%		33%		30%	30%		
Regional NSW	2,623	770	29%	540	21%	2,612	1,426	55%	11.2
Regional Share	26%	37%		18%		27%	26%		3%
Sydney	7,600	1,290	17%	2,402	32%	7,203	4,016	56%	397.1
Victoria	9,809	1,811	18%	3,070	31%	9,451	5,059	54%	358.1
Queensland	5,571	1,402	25%	1,303	23%	5,388	3,044	56%	183.3
Western Australia	2,822	728	26%	481	17%	2,736	1,653	60%	85.5
Southern Australia	2,065	516	25%	442	21%	2,028	1,220	60%	36.7
Tasmania	764	217	28%	117	15%	645	376	58%	119.1
Northern Territory	291	72	25%	36	12%	314	183	58%	-22.6
Australian Capital Territory	1,647	376	23%	378	23%	1,401	788	56%	245.8
Other	549	235	43%	70	13%	501	332	66%	48.5
All Institutions	33,742	7,416	22%	8,839	26%	32,279	18,097	56%	1,462.8

Source: DESE Higher Education Finance Publication 2018 (<https://www.education.gov.au/finance-publication>)

Employment

Table 2 shows both the number (headcount) of employees and full time equivalent (FTE) staffing for NSW's and other State/Territory public universities. It should be noted however that our universities are not required to publish the number (headcount) of casual employees they engage over the course of a year, and so it has been necessary for the NTEU to estimate the number of casual employees as published FTE casual multiplied by four. This is considered a relatively conservative estimate when based on available published data ([Workplace Gender Equality Agency – WGEA](#)) and other published research. It should be noted that in the last two years, Victorian universities have been asked to publish data on the number of their employees that are on insecure contracts of employment. In order to overcome this obvious gap in published employment data, the NTEU asks that Committee recommend that **NSW universities, like their Victorian counterparts, be required to include in their annual reports data on the number (headcount) and FTE for tenured, limited term and casual staff for academic and general/professional staff.**

The data in Table 2 shows that in 2019, NSW's public universities employed total of some 64,722 employees (39,782 FTE) comprised of:

- 21,906 ongoing permanent (tenurial) employees (20,786 FTE),
- 13,892 employees on limited term contracts (11,765 FTE), and
- 28,924¹ casual employees (7,321 FTE).

¹ NTEU estimate of Casual FTE x 4

On this basis ongoing or permanent staff only accounted for about one in three (34%) of all employees, with limited term employees accounting for one in five (21%) of all employees and casual staff accounting for almost half (45%) of all employees.

Even in terms of total university staffing resources (FTE) only just over half (52%) are employed on a permanent or ongoing basis, with about one in three (30%) on limited term contracts and one in five (18%) engaged on a casual basis. Figure 2 depicts the data in Table 2 of the proportion of the number (headcount) of employees engaged on limited term and casual contracts of employment. It shows that for NSW's public universities the proportion of insecurely engaged employees varies from 56% at UNE to 71% at SYD and SCU. The average across all NSW's public universities (66%) is in line with Australia wide average but there are also some differences in the relative proportion of casual and limited term employees, which may reflect the relative importance of research as part of the universities activities. As other NTEU research ([Flood of Insecure Employment](#)) shows that, on an FTE basis:

- 80% of research-only academic staff are engaged on limited term contracts,
- 80% of teaching-only academic staff are engaged as casuals.

This might explain the difference between SYD where 25% of all employees are on limited term contracts and 47% on casual contracts, and SCU where the relative proportions are 13% and 58% respectively.

The implications of this in the light of COVID19 are discussed below.

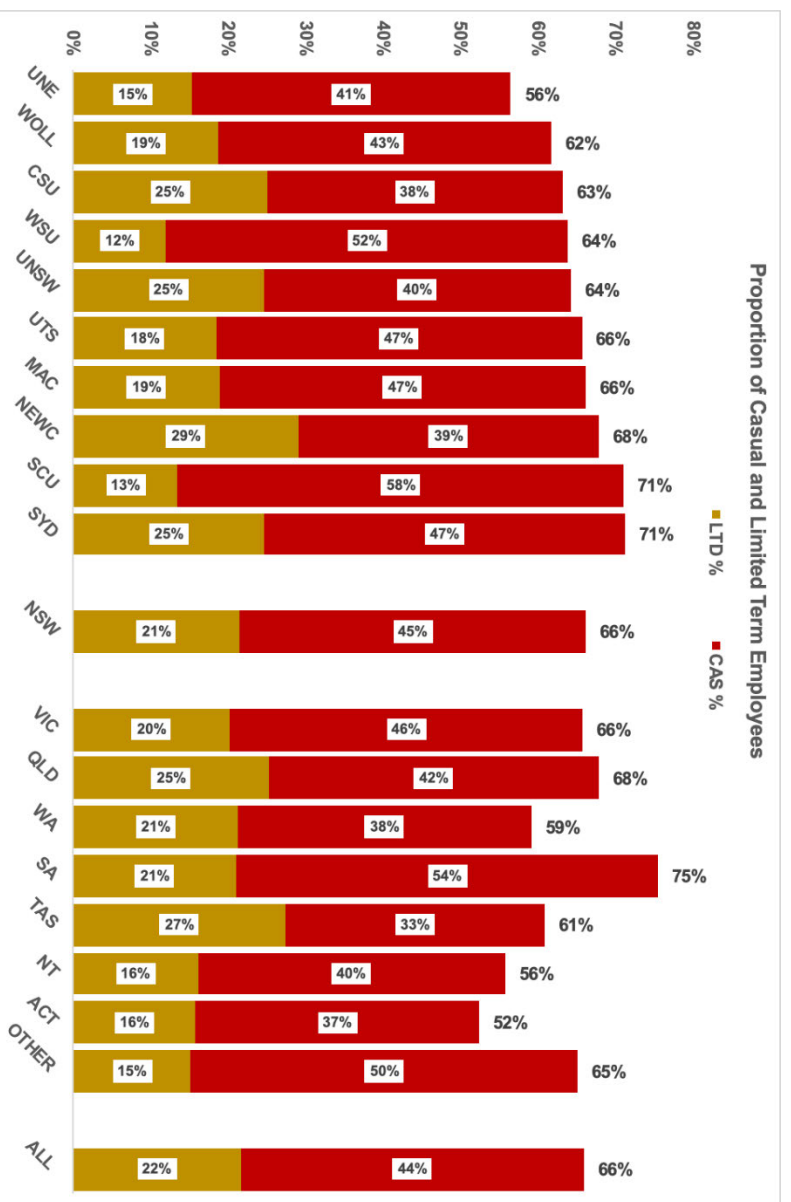
Table 2

University Staffing Data 2019

University	Number (Headcount) of Employees							Full Time Equivalent (FTE) Staffing						
	Tenurial	Ltd Term	Cas #+ Oth	Total	Ltd %	Cas %	Insecure %	Tenurial	Ltd Term	Cas + Oth	Total	Ltd %	Cas %	Insecure %
Charles Sturt University	1,448	980	1,500	3,928	25%	38%	63%	1,366	713	375	2,454	29%	15%	44%
Macquarie University	2,117	1,180	2,960	6,257	19%	47%	66%	2,015	1,045	740	3,800	28%	19%	47%
Southern Cross University	627	292	1,244	2,163	13%	58%	71%	581	259	311	1,151	23%	27%	50%
The University of New England	974	342	920	2,236	15%	41%	56%	926	304	230	1,460	21%	16%	37%
The University of Newcastle	1,709	1,543	2,052	5,304	29%	39%	68%	1,613	1,153	513	3,279	35%	16%	51%
The University of Sydney	4,358	3,725	7,048	15,131	25%	47%	71%	4,110	3,188	1,762	9,060	35%	19%	55%
University of New South Wales	4,321	2,964	4,800	12,085	25%	40%	64%	4,118	2,620	1,200	7,938	33%	15%	48%
University of Technology Sydney	2,366	1,269	3,244	6,879	18%	47%	66%	2,266	1,091	811	4,168	26%	19%	46%
University of Wollongong	1,787	872	2,000	4,659	19%	43%	62%	1,674	750	500	2,924	26%	17%	43%
Western Sydney University	2,199	725	3,156	6,080	12%	52%	64%	2,117	642	789	3,548	18%	22%	40%
NSW TOTAL	21,906	13,892	28,924	64,722	21%	45%	66%	20,786	11,765	7,231	39,782	30%	18%	48%
NSW Share of Total	28.6%	28.6%	28.9%	28.7%				29.2%	28.6%	28.5%	28.9%			
NSW Regional	6,545	4,029	7,716	18,290	22%	42%	64%	6,160	3,179	1,929	11,268	28%	17%	45%
Regional Share	30%	29%	27%	28%				30%	27%	27%	28%			
Sydney	15,361	9,863	21,208	46,432	21%	46%	67%	14,626	8,586	5,302	28,514	30%	19%	49%
VIC TOTAL	21,280	12,559	28,271	62,110	20%	46%	66%	19,377	10,611	7,288	37,276	28%	20%	48%
QLD TOTAL	13,214	10,370	17,420	41,004	25%	42%	68%	12,418	8,734	4,355	25,507	34%	17%	51%
WA TOTAL	7,666	3,979	7,128	18,773	21%	38%	59%	6,909	3,329	1,789	12,027	28%	15%	43%
SA TOTAL	4,862	4,174	10,784	19,820	21%	54%	75%	4,567	3,614	2,704	10,885	33%	25%	58%
TAS TOTAL	1,799	1,257	1,532	4,588	27%	33%	61%	1,654	1,008	383	3,045	33%	13%	46%
NT TOTAL	665	241	596	1,502	16%	40%	56%	476	170	149	795	21%	19%	40%
ACT TOTAL	3,951	1,310	3,026	8,287	16%	37%	52%	3,737	1,327	759	5,823	23%	13%	36%
OTHER	1,370	596	1,960	3,926	15%	50%	65%	1,253	503	490	2,246	22%	22%	44%
ALL	76,713	48,575	99,991	225,279	22%	44%	66%	71,179	41,071	25,328	137,578	30%	18%	48%

DESE does not require universities to report the number (headcount) of casual employees. NTEU estimates the number to be Casual FTE multiplied by 4.
Source: Department of Education, Science and Employment (DESE) Higher Education Statistics (education.gov.au)

Figure 1



Students

NSW’s public universities play a critical role in educating and training the future workforce.

According to the latest [student enrolment data](#) in 2018 there were some 1.6m student enrolled in Australian higher education. Of that total, almost 480,000 (31%) were overseas students. NSW’s public universities accounted for 27% of the total number of students (some 423,000 students) and 25% (121,000) of all overseas students.

In order to get a better sense of potential resourcing implications, Table 3 shows the full-time equivalent student load (EFTSL) for NSW’s public universities and other States / Territories in 2018. The data show that there was a total of 300,175 EFTSL in NSW in 2018 of which 31% were international students. This represented 29% of total Australia wide student load of 1,032,481 EFTSL.

As reflected in employment and employment data discussed above, Table 3 shows individual universities student load (EFTSL) also varies considerably. While SCU and UNE had in the order of 12,000 EFTSL, UNSW had almost four time that level with total EFTSL of almost 47,000. Regional universities accounted for 33% of total EFTSL.

The proportion of overseas students also varied significantly between universities. While overseas EFTSL only accounted for 8% of UNE’s total student load, at Wollongong overseas students accounted for more than four out of ten (43%) of total EFTSL. While overseas

students accounted for 31% of all students across NSW, they only accounted for 27% of regional university enrolments.

Table 3

Full Time Equivalent Student Load (EFTSL) 2018				
State/Institution	Domestic students	Overseas students	TOTAL EFTSL	Overseas %
Charles Sturt University	17,053	6,528	23,580	28%
Macquarie University	23,662	9,118	32,780	28%
Southern Cross University	7,959	3,347	11,306	30%
The University of New England	11,303	993	12,295	8%
The University of Newcastle	20,689	4,355	25,044	17%
The University of Sydney	30,663	20,762	51,425	40%
University of New South Wales	28,314	18,447	46,761	39%
University of Technology Sydney	23,769	11,707	35,476	33%
University of Wollongong	14,816	10,980	25,796	43%
Western Sydney University	30,105	5,607	35,712	16%
NSW TOTAL	208,333	91,844	300,175	31%
NSW Share of Total	29%	29%	29%	
NSW Regional	71,820	26,203	98,021	27%
Regional Share	34%	29%	33%	
Sydney	136,513	65,641	202,154	32%
VIC TOTAL	184,119	118,215	302,334	39%
QLD TOTAL	131,941	46,368	178,308	26%
WA TOTAL	72,776	24,771	97,548	25%
SA TOTAL	51,192	18,436	69,629	26%
TAS TOTAL:	15,630	5,563	21,194	26%
NT TOTAL	4,833	1,428	6,261	23%
ACT TOTAL	20,594	10,906	31,500	35%
OTHER	22,113	3,420	25,532	13%
TOTAL	711,531	320,951	1,032,481	31%

2. Financial and employment impact of COVID19

As is evident from the financial analysis above, the onset of COVID19 and the resultant closing of Australia's international borders has impacted very severely on Australia's public universities, included those in NSW. The Commonwealth government would like to characterise this impending crisis as one of the universities' own making - a result of a greedy grab for overseas student fee income. The reality, which has been documented in many NTEU submissions, including our [2019-20 pre-Budget submission](#), is that our public universities have been enthusiastically encouraged to diversify their sources of income by the same governments, of all political persuasions, that have continued to slash the real level of public investment in our public universities.

Financial Impact

The most obvious and largest impact of COVID19 on our universities' finances is undoubtedly the loss of international student fee income because of the border closures. However, there will also be financial implication from domestic students as face to face classes were abandoned due restrictions on people's movements under different stages of lockdown. While all universities (due to the extraordinary efforts of staff) were able to quickly adopt to online or remote learning, this will not have suited all students, especially those with no or poor internet access. The Commonwealth government did move to guarantee the CGS funding for this year, but it is not known what impacts on domestic enrolments will be beyond. Furthermore, the Commonwealth government has actively encouraged the offering of discounted short courses (known as micro-credentials), which for this year do not attract CGS funding by institutions that had fewer students than their projected CGS funding supported. Finally, the proposed funding restructure by the Commonwealth (under its Job-ready graduate proposal) would see an overall decline in level of CGS funding per student

by Government, but require universities to admit more students – in short, teaching more for less. Declining levels of domestic economic activity will also no doubt adversely impact on the level of applied university-business collaborations in research and development.

While it will be sometime before anyone fully understands the financial implications of COVID19 on our universities, universities have provided some estimates of the magnitude of the impacts of the pandemic on their financial impact in 2020 (see NTEU submission to Senate Select Committee on COVID19 Inquiry into Government's Response to COVID – Attachment 1). Based on this information and other analyses of the COVID19 on universities, including that by [Marshman and Larkins](#) from the University of Melbourne's Centre for the Study of Higher Education (CSHE), the NTEU has adopted a simple model to try understand the potential scope of the likely impacts. Our model is based on:

- a high impact scenario which involves a 40% cut to overseas student fee income plus a 10% cut to all other university income, and
- a low impact scenario based on 20% cut to overseas student fee income plus a 2.5% cut to all other income.

The result of this modelling is shown in Figure 2, which also shows the level of lost income declared by various universities, except for UTS for which no such data has been reported. As the data shows, the value of reported losses, with the exception of SCU university falls within the high and low impact boundaries of the NTEU modelling. Interestingly, the universities with high international student loads (SYD and UNSW) estimated losses are toward the high impact scenario, whereas the universities with small international student loads are nearer (and the case of SCU below) the low impact scenario. These dollar values, can also be translated into the proportion of total income that is potentially under threat from COVID 19. The analysis shows that universities that experience a relatively low impact from COVID can expect to lose something in order of 5% of total income, while those suffering a relatively high impact could lose in the order of 20-22% of their total income.

Figure 2

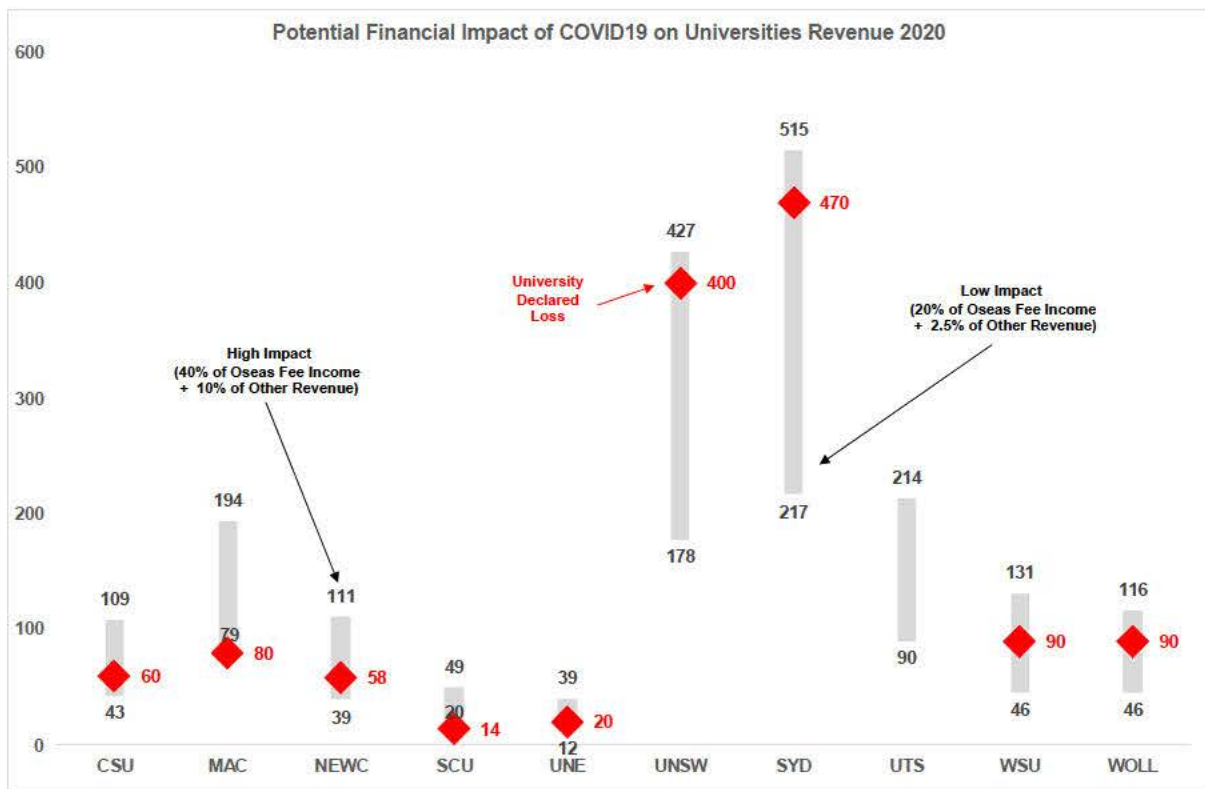


Table 4 summarises the results of the NTEU’s analysis by State/Territory. The data shows that in aggregate Australian universities can expect to lose between \$2.4billion to \$6billion in 2020. This estimate is consistent with other published estimates as reported in NTEU’s submission to Commonwealth Senate Select Committee Inquiry into the government’s response to COVID19 (Attachment 1).

Table 4 shows that the NTEU estimates NSW’s public universities will lose somewhere between \$770m and \$1,900m this year. For regional universities as group, the potential loss is between \$160m and \$424m or between 6% to 16% of total income. Because Sydney universities have heavier overseas student loads, the scope of potential losses range from \$610m to \$1,480m or 8% to 19% of total income. Table 4 also shows the results for other States/Territories, with the exception of Victoria where the range of potential losses is similar, NSW will be as harshly hit, in both absolute and relative terms, as any other State/Territory by COVID19.

Table 4

Estimated Financial Impact \$m				
State/Territory	Low Impact. \$m	% Total Income	High Impact \$m	% Total Income
NSW	770	8%	1,905	19%
REG NSW	160	6%	424	16%
Sydney	610	8%	1,480	19%
VIC	782	8%	1,902	19%
QLD	367	7%	948	17%
WA	155	5%	426	15%
SA	129	6%	339	16%
TAS	40	5%	112	15%
NT	14	5%	40	14%
ACT	107	7%	278	17%
ALL	2,390	7%	6,026	18%

While the scope of potential losses is important, the real question is the extent to which universities are able to withstand such a sudden and unexpected loss of income, something Marshman and Larkins term as financial resilience. As the analysis of universities finances presented above for 2018 shows, most universities spend less than they earn and therefore generate a net operating surplus. As a result, over many years our universities have been able to accumulate substantial cash and investments. Some these investments will be earmarked for specific purposes such as a donation from which returns are used to fund student scholarships or prizes, or unused grants or bequests to fund particular capital works programs. But some these reserves are also meant to act as buffer for a rainy day or unforeseen circumstances.

Table 5 provides some indicators of NSW universities ability to meet the potential losses generated by COVID 19 from their cash and investments (Cash and Cash Equivalents + Non-Current Financial Assets as at 31 December 2018). The data in the upper half of Table 5 shows that the value of cash and investments as share of total income varies from 24% at UTS to 92% for Wollongong.

The lower half of Table 5 shows the number of years that two-thirds (66%²) of the cash and investments will cover of the projected losses in relation to the NTEU's low and high impact scenarios we discussed above, as well for each university's declared losses. For example, two thirds of NEWC's \$556m of cash and investments is sufficient to cover 14 years of a low impact loss, five years of a high impact loss and 5 years of the university's declared loss of some \$58m.

The data clearly indicate significant differences in university's reserve financial capacity (cash and investments) to withstand the financial impact of COVID19. On these measures UTS is by far the most exposed, while SYD, WOLL, NEWC and UNE would seem to be in relatively more comfortable position.

² 66% is the value used by Marshman and Larkins.

Table 5

Financial Resilience NSW Universities (2018 Data)			
University	Total Income \$m	Cash + Invest \$m #	C&I % TOT INC
UTS	1,050	249	24%
SCU	270	80	30%
WSU	909	432	48%
MAC	1,010	584	58%
UNSW	2,130	1,241	58%
UNE	319	197	62%
CSU	610	411	67%
NEWC	767	556	73%
SYD	2,500	2,287	91%
WOLL	657	606	92%

Cash & Equivalents + Non-Current Financial Assets

Number of Years 66% of Cash and Investment coverage:

University	Loss LOW Impact	DECLARED Loss	Loss HIGH Impact
UTS	2.8	n.a	1.2
SCU	4.1	5.7	1.6
UNSW	7.0	3.1	2.9
MAC	7.4	7.3	3.0
WSU	9.4	4.8	3.3
CSU	9.6	6.9	3.8
SYD	10.5	4.9	4.4
WOLL	13.2	6.7	5.2
NEWC	14.2	9.6	5.0
UNE	16.1	9.8	5.0

Given that NSW's public universities are created under State Acts and therefore they are the responsibility of, and report to, the State government, the NTEU believes that it is critically important for universities to be far more transparent in relation to the way they identify and report on any potential financial risks that they face, as well as their capacity to deal with such risks.

As discussed below, the NTEU is concerned that universities preference insecure forms of employment to provide them with the capacity to respond to unforeseen financial circumstances. While this may be seen as managerial prerogative by some, the excessive use of insecure employment has consequences in terms of the quality of education and research and impacts on the reputation of the entire sector. Throwing the lever of cutting casual employment also has workload implications for staff that remain and, in the extreme circumstances we are now in, can threaten loss of subjects, reduction in research output, the discontinuation of courses and even campus closures. These decisions tend to disproportionately affect regional and rural areas, where there are higher costs, but lower student demand, so are often targeted in 'cost cutting measures'. However, these measures ignore the fact that regional, rural and even outer metro campuses are often an important focus for their local community, not only in terms of education, but for employment, expertise and services.

The NTEU believes it should be the responsibility of university senior management to manage potential financial risks, rather than simply use limited term and casual staff to effectively give them the ability to make up for any financial management shortcomings.

Therefore, the NTEU urges that the Committee recommend that:

Being public institutions, universities be required to continually undertake financial risk analysis to identify potential financial risks and report on the capacity of their cash and investment holding to cover withstand any such risks an unanticipated

Employment

The employment impact of the COVID19 on universities in NSW has already been significant.

UNSW has recently announced plans for a major restructure directly in response to COVID19 revenue losses. Under this plan it is intending to terminate 493 ongoing positions.

Similarly, **Charles Sturt University** has announced that 100 – 110 positions will be made redundant under a cost-cutting restructure, that will also involve the removal of 600 subjects, reducing access to specialised topics for regional students.

The University of **Wollongong** has announced 200 redundancies, and has flagged another possible 200 pending the success of cost savings measures related to employment conditions.

The **University of New England** has announced is seeking to make 200 redundancies.

All together this amounts close to 1,000 ongoing permanent positions to be lost in NSW.

The NTEU has also heard of that subject cancellations and casual job losses at **Sydney**.

Other universities have asked staff to reduce employment conditions in an attempt to reduce the number of jobs lost. **University of Newcastle** is still considering cost savings measures, but has recently asked staff to consider reducing enterprise agreement conditions to avoid job losses. **Southern Cross University** has attempted pay reductions for staff, however these were rejected, leaving open the possibility of mass redundancies to come. **University of Western Sydney** has called for voluntary redundancies, although it is unclear if these will be sufficient to offset the revenue shortfall.

The full extent of job losses at NSW public universities is however grossly understated by these reported losses of permanent and ongoing positions. As the NTEU's [Flood of Insecure Employment](#) report clearly demonstrates, the level of insecure employment at our universities has increased substantially over the last decade or so. This rising tide of insecure employment has been accompanied by a far greater use of specialist (teaching-only and research-only) academic staff, where only about 20% of the FTE academic staff enjoy ongoing permanent work. This has led to a situation where much of the teaching (estimated to be over 50%) is delivered by casual staff and much of research by staff on limited term contracts. Many of these employees will have had ongoing repeated casual or fixed term contracts for year after year but have not be given a secure ongoing job. While these people show up on the statistics as casual or limited term employees, they are, for all intents and purposes, a critical part of the ongoing capacity to deliver high quality teaching and research.

In order to gain a better understanding of the nature of employment at our universities the NTEU is asking the Committee to recommend that:

Universities be required to report on changes in the composition of permanent, limited term and casual staffing levels (both number and headcount) and provide an explanation for any such.

As a consequence, the question the NTEU would like to know the answer to is, how many of the long term casual or limited term contract employees, many of whom will have worked at our universities for years, will have effectively lost their jobs in 2020 because they have not been reappointed. While universities might not consider such cases as job losses, the individuals involved and the NTEU certainly do.

Based on some initial estimates the NTEU has obtained from several Victorian universities, the number of casual and limited term employees that have not been reappointed or engaged in 2020 runs into the thousands. Based on our best estimates the number of casual and limited staff that have effectively lost their jobs could be as high as 30%.

Assuming what we would consider to be very conservative estimates of 10% of Limited Term contracts not being renewed and 25% of casual not being reappointed employed, abased on the data on the number of employees in Table 2, we estimate the following limited plus casual job (headcount) of NSW public universities this year:

CSU	473
MAC	858
SCU	340
UNE	264
NEWC	667
SYD	2135
UNSW	1496
UTS	938
WOLL	587
WSU	862

In total this is in excess of 8,600 jobs. The actual number could well be much higher, but unfortunately our universities have been unwilling to provide this information.

Therefore, the NTEU is urging the Committee to recommend that:

NSW universities, in addition to the previous recommendations be required to report on the number of casual and limited term employees that:

- **have their contracts renewed each year,**
 - **do not have their contracts renewed.**
 - **are newly appointed.**
-

Conclusion

Clearly, the impact of COVID19 has been profound for the higher education sector. Yet the crisis we are in has come about as a result of years of policy direction by successive governments, where years of reductions in the proportion of government contributions has led universities (with the active encouragement of governments) to look to other revenue sources to supplement domestic teaching and research. The most lucrative of these other sources – and the most politically palatable – has been the international student market, whereby an international student will, on average, pay three times the tuition fee of their domestic counterpart. The overnight collapse of the international student market, worth around \$40billion in 2018, did more than pull the rug out from underneath the feet of our universities. It exposed the vulnerabilities of the entire system, where world class teaching and research is done primarily by those who do not know how long they will have a job, who live from pay check to pay check, and who will be the first to go should management throw the lever as a way of dealing with their financial crisis. What is even worse, however, is the consistent refusal of the Commonwealth government to assist universities, to the point of excluding public universities access to the same support measures available to most other employers, with 'Jobkeeper' amended three times in order to preclude public universities (although private higher education providers have access, and over 5,000 of their workers are on the program).

Universities are in crisis, and those in NSW are as exposed as their interstate counterparts, as shown in this submission. However, the NTEU also believes that there is opportunity in this crisis to review and reset the relationships between universities and governments, particularly at the state level. We welcome the measures that have been delivered by state governments to assist universities and their staff and students, including pay roll tax relief, low interest loans, grants and student support (particularly for international students, who have been largely excluded from all social safety net measures by the Commonwealth). However, we believe that more fundamental changes can also be considered, with improved transparency around finances, staff and risk management strategies by universities. Our public universities must be publicly accountable to their communities and to governments; they may view themselves as corporate enterprises, but their mission is to provide teaching, research and expertise that is for the public good. The NTEU believes that the COVID19 crisis can assist with a return to that premise.