Vice Chancellor’s comments for CEDA Higher Education Review

Time: 11:45am – 2:00pm
Date: Friday 19 May, 2017
Place: Adelaide Convention Centre Hall MN
# Participant briefing and run sheet

<table>
<thead>
<tr>
<th>Event title</th>
<th>Higher Education Review</th>
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<tbody>
<tr>
<td><strong>Date</strong></td>
<td>Friday, 19 May 2017</td>
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<tr>
<td><strong>Time</strong></td>
<td>Luncheon – 11.45am for 12.00pm to 2.00pm</td>
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<tr>
<td><strong>Venue</strong></td>
<td>Adelaide Convention Centre – Hall MN North Terrace, Adelaide</td>
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<tr>
<td><strong>State contact</strong></td>
<td>Sharon Simmons Acting State Director Contact: 08 8211 7222 / 0404 076 297</td>
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## Participant information

<table>
<thead>
<tr>
<th>Keynote speaker</th>
<th>Senator the Hon Simon Birmingham Minister for Education and Training Contact: 08 8354 1644 Email: <a href="mailto:senator.birmingham@aph.gov.au">senator.birmingham@aph.gov.au</a></th>
<th>• Speaker presentation of up to 20 minutes.  • Followed by a Q&amp;A session</th>
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<tbody>
<tr>
<td><strong>Speakers</strong></td>
<td>Prof Mike Brooks Acting Vice-Chancellor and Vice-President The University of Adelaide Contact: 08 8313 5665 Email: <a href="mailto:mjb@cs.adelaide.edu.au">mjb@cs.adelaide.edu.au</a></td>
<td>• 5 min overview  • Followed by panel discussion and Q&amp;A from the floor</td>
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<td></td>
<td>Prof David Lloyd Vice-Chancellor and President University of South Australia Contact: 0883020500 Email: <a href="mailto:david.lloyd@unisa.edu.au">david.lloyd@unisa.edu.au</a></td>
<td>• 5 min overview  • Followed by panel discussion and Q&amp;A from the floor</td>
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<td></td>
<td>Prof Colin Stirling Vice-Chancellor and President Flinders University Contact: 08 8201 2101 Email: <a href="mailto:colin.stirling@flinders.edu.au">colin.stirling@flinders.edu.au</a></td>
<td>• 5 min overview  • Followed by panel discussion and Q&amp;A from the floor</td>
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<tr>
<td><strong>Welcome</strong></td>
<td>Hamilton Calder Acting CEO CEDA</td>
<td>• Introduction of Chair: Christine Molitor</td>
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| **Chair** | Christine Molitor  
  Chief Executive Officer  
  Scope Global  
  Contact: 0883648563  
  Email: christine.molitor@scopeglobal.com |
|   | • See full introduction details in the run sheet.  
  • Facilitate panel discussion  
  • Facilitate Q & A Session |
| **Vote of Thanks** | Lisa Jarrett  
  Partner  
  Minter Ellison  
  Email: lisa.jarrett@minterellison.com |
|   | Please propose a Vote of Thanks to speakers |
| **Venue** | Adelaide Convention Centre – Hall MN  
  North Terrace Adelaide  
  Contact: Jo Wood  
  08 8210 6715 |
| **AV** | Adelaide Convention Centre |

**Head table**

1. Senator the Hon Simon Birmingham, Minister for Education and Training
2. Prof Mike Brooks, Acting VC and Vice-President, the University of Adelaide
3. Prof David Lloyd, VC and President, University of South Australia
4. Prof Colin Stirling, VC and President, Flinders University
5. Christine Molitor, CEO, Scope Global
6. Lisa Jarrett, Partner, Minter Ellison
7. Jim McDowell, Chancellor, University of South Australia
8. Dr John Newton, Principal, Scotch College
9. TBA
10. TBA
## Run Sheet

### Morning Session

<table>
<thead>
<tr>
<th>Time</th>
<th>Participant Instructions</th>
<th>Venue Instructions</th>
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<tr>
<td>11.45am</td>
<td>Registration and refreshments</td>
<td>Drinks</td>
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<tr>
<td>12.00pm</td>
<td>Guests will be seated.</td>
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<tr>
<td>12.05pm</td>
<td>Hamilton Calder will move to the lectern to open proceedings and will:</td>
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<td>• Acknowledge that we meet today on Aboriginal land, and pay respect to elders past and present.</td>
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<td></td>
<td>• Acknowledge those members who have sponsored today’s event – <em>Scope Global and Minter Ellison</em></td>
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<td>• Acknowledge those members who have hosted a corporate table today – logos will be shown on the projection screen.</td>
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<td>• We will be Tweeting from today’s event. Invite guests to join the conversation at #HigherEd</td>
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<td>• Ask guests to turn mobile phones to silent.</td>
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<td>• Advise guests that media representatives may be in attendance throughout.</td>
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<tr>
<td></td>
<td>• Introduce Keynote Speaker: Senator the Hon Simon Birmingham for the session</td>
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**Simon Birmingham** has served as a Liberal Party Senator for South Australia since May 2007 and in September 2015 was appointed to position of Minister for Education and Training. Prior to entering the Senate, Simon worked for a number of industry bodies, establishing particular experience in the wine, tourism and hospitality sectors – industries that are critical to South Australia’s prosperity.

Hamilton Calder will take his seat off the stage.

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<tr>
<th>12.10pm</th>
<th>Senator the Hon Simon Birmingham will move to the lectern and give his presentation.</th>
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<tr>
<th>12.30pm</th>
<th>Hamilton to invite guests to enjoy their main course</th>
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<td><em>Main course is served</em></td>
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### 12.55pm

**Hamilton to introduce Chair of panel session: Christine Molitor, Chief Executive Officer, Scope Global**

Christine Molitor will open the panel session and invite speakers to the stage for a panel discussion, asking them to give a 5-minute overview each and to take questions from the floor

- Introduce Senator the Hon Simon Birmingham, Minister for Education and Training who is joining the panel session.
- Prof Mike Brooks, Interim VC and President, the University of Adelaide

Professor Mike Brooks is currently the interim Vice Chancellor and President for the University of Adelaide. He was appointed to the position of Deputy Vice Chancellor and Vice President (Research) in July 2008. Professor Brooks is a leading international researcher in computer vision and image analysis. His work has seen wide commercial use in the security and defence industries and has resulted in international awards.

- Prof David Lloyd, VC and President, University of South Australia

A Dublin-born and educated chemist, and specialist in computer-aided drug design, Prof Lloyd has re-focused institutional culture to position University of South Australia as Australia’s university of enterprise and to shape its activities to better meet the challenges of the 21st century.

Since being appointed in 2012, Prof Lloyd has overseen the development of a Reconciliation Action Plan for the University and developed many international collaborations, including with University College London to form UniSA’s ground-breaking Future Industries Institute, and with IT giant Hewlett Packard Enterprise and the South Australian Government to form the Innovation and Collaboration Centre

- Prof Colin Stirling, VC and President, Flinders University

Professor Stirling’s career provides a strong foundation for his ambitions for the University. Born and educated in Scotland he gained a BSc in Biological Sciences at the University of Edinburgh followed by a PhD in genetics from Glasgow University. In 2011, Professor Stirling was appointed Deputy Vice-Chancellor Academic at Curtin University, in Western Australia where he was later appointed Provost and Senior Deputy Vice-Chancellor.
Christine will open the floor and facilitate discussion by inviting questions and comments from guests, asking them to:
- raise their hand and a microphone will be brought to them; and
- announce their name and company before asking their question.

- Christine Molitor – Please note – CEDA staff manning the microphones will raise their hand to indicate where questions are in the room. Please keep an eye for these staff when directing questions.

*(Dessert, tea and coffee will be served during questions)*

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| 1.55pm | Christine will welcome Lisa Jarrett, Partner, Minter Ellison to present the Vote of Thanks.  
Lisa will approach the lectern and will:  
- Make closing remarks  
- Propose a vote of thanks to all the speakers |
| 2.00pm | Hamilton Calder, Acting CEO, CEDA will close the event. |
CEDA HIGHER EDUCATION PANEL DISCUSSION

This Budget calls for reform and sustainability of the Higher Education sector. However, this Budget is a contradiction of both those terms.

Reform: Means to transform, to rebuild to make better.

- Cutting 5% of a budget and holding to ransom another 7.5% for a business that operates as a not-for-profit entity;
- We are already restricted by government legislation and policy in our operations;
- Large portions of our budgets are variable due to international recruitment.
- Increasing that variability does not necessarily add efficiencies.

Sustainability: Business sustainability represents resiliency over time – businesses that can survive shocks.

- Universities operate on very thin margins.
- There is no way to operate any business that relies on initiative and innovation when 7.5% of your revenue is up for grabs.
- There is no business sustainability when annual measures of performance are the product of more than one year of activity;
University cuts

- 5 per cent cut through a two-year efficiency dividend (2.5% cut per annum), equalling $3 billion in savings from the sector over two years.
- We’ve already contributed $3.9 billion to budget repair since 2011/2012
- Removal of postgraduate funding just when the South Australian economy is being transformed and the workforce needs upskilling.

The Efficiency Dividend

- The efficiency dividend contradicts the government’s policy direction to create a more sustainable higher education sector;
- And when combined with the annual performance component of 7.5% introduces significant operating uncertainty.

The Commonwealth’s justification is that University revenue has increased faster than costs

- It argues that the Cost of Delivery of Higher Education study shows that over the past 5 years average costs per EFTSL increased by 9.5%;
- while funding for Commonwealth Supported Places increased by around 15%.
- They conclude that universities have become more efficient over time; and
- the net asset base for the sector is growing with some institutions showing significant cash and investment reserves.
• We don’t accept those assumptions.

• Deloitte’s have acknowledged that those assumptions are limited by:
  
  o the scope of the study;
  o the efficacy of the data collection; and
  o the validity of comparing the result of this study with a similar (but not identical) study undertaken as part of the 2010 Base Funding Review.

• The Commonwealth does not acknowledge the significant infrastructure investment and initiatives such as UniSA College that the sector is able to fund through its cash and investment reserves.

• This is particularly important given the removal of infrastructure funding streams such as the Education Investment Fund.

**Infrastructure spending:**

• Our new Health Innovation Building and the new Great Hall were funded by the university managing its finances and saving surpluses to reinvest in infrastructure.

• This will all be lost under the proposed efficiency dividend measures

• In terms of job creation: a $250 million building such as HIB means around 690 FTE direct jobs and 1817 indirect jobs;
• There are around **250 workers on site every day and around the same figure working offsite**.

• Queensland Treasury figures state that each $1 million of government gross fixed capital formation would likely, on average, support approximately 6.70 FTE jobs

• Extrapolating those figures to our situation, equates to 1657 jobs from 2015 to the start of 2018.

**Student contributions**

• 7.5% increase in students’ contribution to 46% from 42% (OECD average is 30%);

• Lower HECS-HELP threshold for repayment, from $55,874 to $42,000

• Students shouldn’t have to shoulder more costs to be paid from a new threshold that is below average earnings

**International academics**

• UniSA has lots of international staff members on visas

• As a business with turnover of $10 million or more per year we are required to make a one-off payment of $5,000 for each employee being sponsored for a permanent Regional Sponsored Migration Scheme (subclass 187) visa, (the visa we use at UniSA to sponsor academics).

• This is in addition to the increase in fees for the 187 visa and the requirement for visa recipients to pay full costs for public education of their children.
Between now and 30 June 2017 if we nominate any ‘academic’ positions, their 457 visa will only be granted for a period of 2 years.

While it can be extended for a further 2 years there is no pathway to permanent residency.

Impact on the national and state economies

- Universities are the largest non-resource based contributor to the Australian economy
- International education contributes $22 billion per annum.
- Universities are a major contributor to South Australia’s changing economy
- we train the workforce and are a significant source of R&D;

Conclusion

- It is unwise to hit a sector that generates so much economic health that is so vital to the reinvigoration of the state’s economy.