Budget model review outcomes
Key feedback/actions

- Reconsider cross-charging overhead costs: proposed alternative model
- Budget for research separately
- Implement a three year budget cycle
- Consider reward mechanisms
## New budget model

<table>
<thead>
<tr>
<th>Current model</th>
<th>New model</th>
</tr>
</thead>
<tbody>
<tr>
<td>100% of revenues flow to Faculties.</td>
<td>A 53% “constant overhead charge” is applied to all revenues except research income and Faculties receive a net income.</td>
</tr>
<tr>
<td>Faculties must deliver a “contribution margin” to cover overheads etc.</td>
<td>Faculties may spend 100% of net income.</td>
</tr>
<tr>
<td><strong>Pros</strong></td>
<td><strong>Cons</strong></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Simple to apply and understand</td>
<td>No direct link between “constant overhead charge” and costs</td>
</tr>
<tr>
<td>Supports University’s strategic research direction</td>
<td></td>
</tr>
<tr>
<td>Allows flexibility to manage finances at a Faculty level</td>
<td></td>
</tr>
<tr>
<td>Provides certainty for managing Faculty, support area and infrastructure costs</td>
<td></td>
</tr>
</tbody>
</table>
Impacts of new model

- Changes to research funding model
- Impact to consulting activity
- Application to other teaching activities
- Application to partner arrangements
- Support area budgets
Research funding model

- Faculty funded activities
- Research excellence support
- Strategic research funding
- Details subject to confirmation
## Other teaching areas

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniready</td>
<td>30.00%</td>
<td>40%</td>
<td>45%</td>
<td>53%</td>
</tr>
<tr>
<td>Curtin English</td>
<td>37.55%</td>
<td>40%</td>
<td>45%</td>
<td>53%</td>
</tr>
</tbody>
</table>
3 Year Budget cycle - practical implications

- 3 year budget targets
- Ability to negotiate three year average outcome
- Need for flexibility
Projected 2016 financials - assumptions

- Load planning outcomes applied
- Other revenue 3% increase
- Salary increases approx. 7.4%: 4.0% EBA + increments/promotions + 2 weeks less leave
- Depreciation increases 6%
- Other costs 3% increase
Support Area parameters

- 2% increase in VC Support funding excluding depreciation
Requests – outside parameters

- Proposed consideration for outside parameter requests
  - What are the top 3 key deliverables of the portfolio?
  - What are the lowest 3 priorities of the portfolio?
  - What is the new activity to be delivered and what is its value add? (ensure no duplication across functional areas)
  - What activities have you already given up to accommodate the new activity?
  - What activities did you consider giving up but consider to be key to your portfolio?

- Is this an ongoing activity or a one off?

- Budget narrative document

- Operational Effectiveness Committee
Questions