

19 October 2020

**WESTERN SYDNEY UNIVERSITY
RESPONSE TO SUPPLEMENTARY QUESTIONS**

**NSW LEGISLATIVE COUNCIL
Inquiry into the future development of the NSW tertiary education sector
Supplementary questions**

- 1. What lessons has the university learned from its experience with Huang Xiangmo and how have its due diligence policies and practices changed for the acceptance of donations/endowments and involving the donor/benefactor in university governance structures?**

The University has well developed due diligence processes within its Office of Advancement which are routinely applied to all major prospective gifts or donations to the University from individuals or companies. The University's Board of Trustees is also informed of and approves all major gifts or donations.

In relation to the gift to establish the Australia-China Institute for Arts and Culture (ACIAC), the University also sought and received advice from ASIO. Based on the University's extensive due diligence process and this advice, the gift was finalised and accepted.

Membership of the governance bodies of the University is determined, as appropriate, by the Board of Trustees, on advice from the Board Executive Committee and following appropriate due diligence. Membership of advisory committees to University research institutes is approved by the Vice-Chancellor, on advice from the Deputy Vice-Chancellor responsible for research, and following appropriate due diligence.

- 2. What PhD thesis has Li Jianjun completed at WSU?**

See answer to question 3 below.

- 3. Who was his supervisor?**

As has been widely reported in the media, Mr Li Jianjun is a currently enrolled PhD student within the School of Humanities and Communication Arts at Western Sydney University. Mr Li has not yet completed a PhD at Western Sydney University.

Mr Li's PhD thesis title is "A Time of Dreams, Enthusiasms": Australian Writers in China 1950-65. As stated in his confirmation of candidature document: "This research will focus on the translation, publication and reception of Australian literature in P. R. China

in 1950-1965 and explore the social, cultural and political factors that affect these activities. By investigating the Australian literary works translated, critical studies of these texts, the reviews and interviews and archive documents in relation to the writers, translators and publishing houses in China as well as Australia, the research will demonstrate why and how Australian literature was introduced into China and offer new perspectives on Australian literature in China two decades before the establishment of diplomatic relationships between the two countries in 1972. Four writers Dymphna Cusack, Ralph de Boissière, Katharine Susannah Prichard and Judah Waten will be given special attention in this research.”

Mr Li’s principal supervisor is Professor Anthony Uhlmann, who has expertise in Modernist and Contemporary literature; his other supervisors are Professor Ivor Indyk, who is an expert in Australian literature and literary publishing in Australia, and Professor Nicholas Jose, who is an expert on Chinese literature, Australian literature, and cultural engagement between China and Australia.

4. Has WSU been notified of any security concerns about Li or his supervisor from the Federal Government?

Western Sydney University has not been notified of any security concerns by the Federal Government regarding the supervisors of Mr Li.

The University was not notified of any security concerns by the Federal Government regarding Mr Li either before or after the cancellation of his student visa. Communication with ASIO regarding this matter was initiated by the University subsequent to the University being informed by Mr Li of the cancellation of his student visa.

5. How many WSU students are recipients of BPH Billiton Australia China Scholarships?

Western Sydney University assumes this question refers to BHP Billiton Australia China Scholarships.

One current student is a recipient of a BHP Billiton Australia China Scholarship.

6. 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.

Western Sydney University has not conducted modelling on non-university employment impacts of this nature. The University notes the Commonwealth and NSW Government conduct labour market modelling, via Treasury, that may be of assistance in addressing this question.

7. What efforts have you made to diversify the make-up of your university's international students in recent years?

Western Sydney University's international student cohort is diverse, ranging across 70 different nationalities. The University will continue to focus on recruitment from a diverse range of countries and without a high dependency on any one country or region.

8. 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.

Western Sydney University migrated its teaching and learning program online as a result of the public health and related measures imposed early this year. As is the case across the Australian university sector, the entirety of this transition involved marked innovations and agile progressions in pedagogy, digital platforms and student engagement.

9. Western Sydney University 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?

Western Sydney University notes its initiation of this recommendation and refers the Committee to details provided in its written submission.

10. Have you been invited to participated in any NSW government trade delegations in the past five years? Could you please provide a list of delegations you have participated in?

No. Not applicable.

11. What is the current amount in your reserve fund/general reserve fund?

Western Sydney University does not operate a reserve fund or general reserve fund.

The University's annual financial statements are audited by the Audit Office of New South Wales and tabled in State Parliament. The most recent audit report is available from: <https://www.audit.nsw.gov.au/our-work/reports/universities-2019-audits>

12. What is the stated purpose of your reserve fund/general reserve fund? Where is this stated?

Western Sydney University does not operate a reserve fund or general reserve fund.

The University Corpus (\$272m as at 31 August 2020) is governed by the University's Board of Trustees and is managed by the University in accordance with approved principles and guidelines. It is important to note the level of debt carried by the

university and other factors when considering the size of an endowment or corpus. For example, total University debt as at 31 August 2020 was \$291m.

The purpose of the University's Corpus is to "ensure the University's long-term stability and achievement of its strategic goals". The capital value of the Corpus is to be maintained and the investment returns from the Corpus cannot be used for operational purposes.

13. How much of the money in reserve has restrictions on how it can be spent?

Funds held in the University Corpus are governed by the University's Board of Trustees and their use is restricted in accordance with the resolutions of the Board.

14. 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?

In 2019, the University initiated a 5 year program of investment from the interest earnings on the University Corpus for strategic transformational projects across the University. The initial allocation was \$55m over the 5 year period. This program was suspended indefinitely in March 2020 due to the impact of the COVID-19 pandemic.

15. 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?

As noted above the overall financial position of the University must be considered rather than a comparison of funds held in reserve and projected deficits. It would be important to consider total current and projected debt levels, projected deficits and underlying revenue assumptions, size of the Corpus, restrictions on the use of funds and impact on investments and investment returns. Further, baseline capital funding also impacts on an institution's liquidity. We refer to the University's audited financial statements for detailed information on the University's financial position (see above).

16. 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?

The Board of Trustees has approved the use of investment returns from the University Corpus to assist the University to transition through the post-COVID recovery period.

17. 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?

Measures Western Sydney University has undertaken in 2020 to address severe budget pressures, include:

- the pause or cessation of capital projects and major projects;
- the diversion of corpus investment returns to fund transitional operating activity;
- necessary campus and facilities hibernations;
- reduced recruitment activity;
- staff donating a percentage of their salary to the Student Assistance Fund;
- discontinued salary loadings, reduced non-salary income expenditure;
- early retirement and transition to retirement schemes;
- increased mandatory leave provisions under Enterprise Agreement variations; and
- a Banked Additional Leave scheme.

18. What proportion of job cuts at your institution are estimated to be a result of a drop in student enrolments?

Changes in staff profile reflect the overall downturn in revenue.

19. How many highly paid executive staff will be made redundant in your institution?

Yet to be determined.

20. Will they be offered voluntary redundancies?

As above.

21. How have your sources of corporate funding been affected by COVID?

Western Sydney University's corporate partnerships and related initiatives have been impacted in line with broader income and expenditure contractions across the wider economy. Treasury modelling and analysis would provide a broad indication as to the extent of this contraction.

22. To what extent have your other sources of funding been affected - reduced or increased, and by how much?

The forward effect of declining international student numbers in the short-to-medium term significantly alters Western Sydney University's projected budget for at least the next three years. Uncertainty around international mobility, additionally, disrupts multiple collaborative research initiatives and resourcing. The University's financial position will also be affected by the Commonwealth's *Job-ready Graduates Package* reforms, as detailed in the University's written submission to this Inquiry.

23. What restrictions exist on funding – for what amounts, from what sources and what are those restrictions?

As above.

24. 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.

This information is publicly available via Western Sydney University's annual reports: https://www.westernsydney.edu.au/finance_office/finance/b_relatedlinks3 and via the Audit Office of New South Wales: <https://www.audit.nsw.gov.au/our-work/reports/universities-2019-audits>

In view of current uncertainties (as described in the University's response to Q. 22), detailed forward estimates for the coming three years remain under development. However, by way of broad indication, the University issued the following high-level projection (noting an error margin of up to 5 per cent) to staff in its recent 'Future Directions' paper:

Western Sydney University overall financial position as at September 2020

	2019 (actual)	2020	2021	2022	2023
<i>Load (EFTSL)*</i>	35,327	35,363	31,995	32,610	34,233
<i>Operating Result Surplus/(Deficit)</i>	\$1.4m	(\$0.8m)	(\$37.5m)	(\$15.0m)	\$5.7m

* Equivalent Full-Time Student Load

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