

3 April 2025

Director – Budget Estimates Secretariat
NSW Parliament House
6 Macquarie Street
SYDNEY NSW 2000

Dear Director

Please find attached the Budget Estimates post-hearing responses in relation to the hearing on 10 March, 2024 for the portfolio of Skills, TAFE and Tertiary Education (The Hon. Steven Whan MP).

Please find enclosed:

- answers to questions on notice
- answers to supplementary questions
- transcript corrections.

A hard copy will be delivered to your office shortly.

Yours sincerely

Distinguished Professor George Williams AO
Vice-Chancellor and President

Responses to questions on notice

Portfolio Committee No. 3 – Education

Distinguished Professor George Williams AO
Vice Chancellor, Western Sydney University

Profile of students at studying at Bankstown CBD Campus

As at 17 Mar 2025, 3965 students were enrolled to study at Western Sydney University with Bankstown as their home program campus in 2025 Of those students, 502 are international students and 3,643 are domestic students.

Residential location of students

Of those students, 2,943 reside in Greater Western Sydney, specifically:

LGA (Permanent Home)	2025* as at 20250317
Canterbury-Bankstown	944
Liverpool	571
Fairfield	328
Cumberland	243
Wollondilly	192
Penrith	146
Blacktown	145
Campbelltown	138
Parramatta	70
Camden	67
The Hills	39
Hawkesbury	30
Blue Mountains	30

513 students reside in the rest of New South Wales.

Student mode of learning

As at 17 March, 2025, 4,326 students are currently being taught onsite. 20 students are being taught offsite, with 665 being taught using a multi-modal approach.

Bankstown CBD Campus

Proposal to develop Bankstown CBD Campus

The University's then current procurement policy was developed to conform with NSW Government Guidelines. It included a process for direct negotiations. The process to identify the developer was in accordance with processes for direct negotiation in the University Procurement Policy and NSW Government Guidelines on unsolicited proposals. The process was overseen and signed off by an independent external probity adviser.

Commercial arrangement and cost of delivery

Walker Bankstown Developments Pty Limited was responsible for the costs of delivery of the building. The University understands those costs to be \$340,000,000. In return, the University agreed to grant Walker Developments Pty Limited's nominee (in this case 74 Rickard Road Investments Pty Limited) a sublease of the land and to take occupation of the land under an occupation lease back to it.

The University has entered commercial-in-confidence arrangement with Walker related entities where the latter has agreed to make certain funding contributions to the University.

Under the Western Sydney University Act 1997 (NSW) the University's functions include development of property in which the University has an interest, with particular regard to the need to contribute to the development of Greater Western Sydney. Western Sydney University's Bankstown City Campus is part of the 'Western Growth' strategy, aimed at co-creating cities and transformative educational infrastructure across Western Sydney, in partnership with industry and government.

The initiatives contribute to economic uplift, attracting investment, creating jobs, and improving the quality of life in Sydney, and importantly educational outcomes.

In respect to the Bankstown City Campus, the University's approach was to invest in teaching and research and not tie up capital in construction costs. The developer takes on development risk and therefore, the commercial structure has ensured that the University has transferred capital markets volatility and development risks to the developer.

Financial contributions have been made by the Developer towards public domain upgrades to support improved outdoor amenity for students and the broader community, addressing concerns raised by the State Design Review Panel.

Lease arrangement between University and Canterbury Bankstown Council

The University has entered into a ground lease with Canterbury Bankstown Council. It made the once-off payments to Council in return for the grant of the lease, effectively representing freehold value of the land and was determined via independent review.

Under the terms of the lease, the University pays the Council a peppercorn rent, unless more than 25% of the building is not occupied by the University or used for university purposes. The University's occupied space satisfies this requirement.

Sublease arrangement with 74 Rickard Road Investments Pty Limited

The University engaged Walker Bankstown Developments Pty Limited to undertake the development of the building on the land. Council continues to own the land. The University holds the development rights under the ground lease and entered into a sub-ground lease with Walker Bankstown Developments Pty Limited.

On completion of the building, the University granted a sublease to 74 Rickard Road Investments Pty Limited. The latter, in turn, granted an occupation lease of the whole of the land to the University. The landlord under the occupation lease is therefore 74 Rickard Road Investments Pty Limited and the University occupies the whole of the land under the occupation lease.

The developer, Walker Bankstown Developments Pty Ltd and landlord, 74 Rickard Road Investments Pty Ltd are related entities.

The University was involved in the base building design for a building that is not only iconic and aspirational but designed to meet the specific needs of the University. It is a purpose-built building, fitted out to meet the current and future needs of the University, its students and staff.

Tenancy arrangement

The University is the whole-of-building tenant which allows for expansion, growth opportunities, and opportunities for collaboration with industry partners for teaching, learning and research. This approach is consistent across the University's campus network and aligns directly with the University's legislated commitment to serving Western Sydney, contained within its act.

Industry partners and other ancillary users include other educational providers, services that are ancillary to university uses, partners that provide an opportunity to collaborate on teaching and research activities, including work experience and student internships. This last point is critical as teaching collaboration is aligned to key strategies of the University in respect to improved learning and employability outcomes for students.

In addition, the University is a research institution driven by positive impact. Sector leading research and practical outcomes are essential parts of our overarching research mission. Our research has real impact upon the social, economic and environmental wellbeing of our regional, national and international communities.

Greater Western Sydney is the third largest economy in Australia, home to almost 150,000 businesses. The University is committed to our region, and we share a commitment to supporting our students, communities, businesses and government.

Cost of tenancy arrangement

The assumption that has been reported in the media that the annual lease costs are \$45m is an oversimplification assuming the calculation as \$1.8b (including GST) over the 40 year term.

The commencing rent (16 January 2023) was \$19,419,560.

The lease provides for annual increases of 3.5% and market review points at the 15 year and 30 year anniversaries of the commencement date of the lease. Market reviews are important to ensure that the University's obligations are consistent with market conditions.

Over the term of the agreement, the net present value of lease costs has been calculated at \$389.1m. This calculation total factors in the annual lease increases and discounted at 7% (industry benchmark) to derive a value in today's dollars excluding GST.

The arrangements provide the University the flexibility to expand and contract based on to accommodate operational space requirements. It is also important to note that industry and community partners that do and will occupy space are charged rent or other hire charges and this will offset the University's costs.

Further, building outgoings are payable by building occupiers, and is applied proportionally to the tenanted space. Outgoings are variable and not a fixed charge. Outgoings are actual expenses that are subject to an independent audit to confirm accuracy. The University would be liable for outgoings costs as building owner or tenant.

University operational costs are budgeted and is in accordance with the University's Financial Framework.

Allocation of building space

The University campus building provides spaces that are occupied by the University for teaching and research and support functions.

The building area is 33,482 sq. meters. The University's requirement comprises –

	Sum of Total Area m²
Learning & Teaching	8,122.87
Collaboration & circulation	7,173.87
Support Services	2,504.77
Building Services	1,933.87
Parking	1,249.48
Research	845.99
Amenities	642.32
Retail	187.35
Grand Total	22,660.52

The remaining area is available for Industry partners and other ancillary users and provides the University with the flexibility to expand based on student, research and community requirements.

Probity advice

Probity advisers were engaged to oversee the commercial negotiations with Walker Corporation with respect to the development agreements. Further, independent valuations were obtained and relevant subject matter experts were engaged throughout negotiations. Finally, the financial accounting treatment of the commercial structure has been reflected in the University's financial accounts and has been audited by the NSW Audit Office.

The probity report concludes that, based on the work performed and detailed within it, there are no indications that the University failed to conduct its assessment of the proposal with due regard to probity.

Briefings from NSW Health and TAFE NSW

TAFE NSW have issued a request for tender seeking a response to a set of requirements relating to a potential site in Bankstown. The University has responded to the Request for Tender.

Health related subjects offered at Bankstown CBD Campus

There are currently no health related subjects offered at the Bankstown CBD campus. Subjects offered at Bankstown mainly attract students from Programs from Education, Society and Culture, and Management and Commerce fields of education.

Relationship with Syqe

Western Sydney University's NICM Health Research Institute is taking part in an international clinical trial on the use of medicinal cannabis for diabetic peripheral neuropathy.

This global study has the potential to help millions of people living in Australia and overseas with common nerve pain associated with diabetes. Western Sydney University is satisfied that the study has met all applicable ethical, regulatory, and legal requirements.

The role of NICM is strictly limited to recruiting participants in Australia as part the international study. It does so through a fee-for-service arrangement with Syneos, an Australian Contract Research Organisation (CRO) company.

Syqe Medical, an Israeli-based company, is the trial's international sponsor. NICM has no involvement in the development or oversight of the broader international study.

Forbes.com recently reported in that Syqe had received funding from Philip Morris International (PMI). According to the article, in 2016, PMI invested in Syqe via its subsidiary, Vectura Fertin Pharma (VFP). To the best of our knowledge, VFP remains a minor shareholder of Syqe. Syqe has confirmed that VFP has provided funding to this clinical trial.

We will continue our involvement in the study because the research has the potential to drive meaningful public health advancements in the treatment of diabetic peripheral neuropathic pain. At the moment, therapeutic options are limited for this common complication of diabetes.

Almost 50 per cent of people of the 1.5 million Australians living with diabetes are estimated to experience this at some point and about one-third have painful symptoms. This usually starts in the feet and legs, causing numbness, tingling, a burning sensation and sharp pains. It affects quality of life and can increase the risk of amputations by up to 16 times.

Western Sydney University and NICM are fully committed to maintaining the highest standards of research integrity while striving to deliver meaningful advancements in healthcare. We continue to closely consider all projects through the University's ethical framework.