



UNIVERSITY
OF WOLLONGONG
AUSTRALIA

University of Wollongong

QUESTIONS ON NOTICE – NSW BUDGET ESTIMATES

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10 March 2025

Question 1:

The CHAIR (Ms Abigail Boyd, MLC): I might start with you, Professor McLaughlin. I understand that the University of Wollongong went through a restructure called Transformation back in—sorry, it's now called Transformation. The one that you had in 2019-20 was called One-UOW. I understand you've just started the new restructure called Transformation, which comes with an admission that the previous restructure was a bit of a failure. Can you confirm how many staff were lost in that restructure?

EILEEN McLAUGHLIN: You're talking about the first restructure?

The CHAIR: Yes.

EILEEN McLAUGHLIN: I can't confirm that. I can take that on notice.

Answer:

In the year between May 2020 and May 2021, 70 staff took voluntary redundancies. There were no forced redundancies during this period. In addition, 136 staff took advantage of UOW's Voluntary Early Retirement Scheme and exited the university.

Question 2:

The CHAIR: Do you know whether a consultancy firm was used to develop One-UOW?

EILEEN McLAUGHLIN: Not to my knowledge, but I can check to make sure and obviously provide that information on notice.

Answer:

No external providers were engaged in relation to OneUOW.

Question 3:

The CHAIR: Do you report in your annual report—apologies, I normally have one with me—what your consultants spend? I've got a total of your consulting spend somewhere, at around \$14 million for the previous financial year. Do you report on breaking down that expenditure in your annual report?

EILEEN McLAUGHLIN: I can check the annual report, which I have with me, if you want. I can't confirm that at the moment.

The CHAIR: I don't think you do. On the basis that I don't think you do, could you maybe take it on notice to come back to us with what that spend looks like, particularly for anything that's over \$50,000, which is something that government agencies need to report against? I think some of you do this in your annual report and others don't, but I believe that you don't.

Answer:

The University is not required to disclose details of consultant payments in Annual Reports (refer TPG23-10 – Table 3, Section 4 – Consultants – “*In respect of the engagement during the annual reporting period of a consultant by or on behalf of the agency (other than the NSW Trustee or the Senate, Board of Governors or Council of a university)*”). In 2023, the University spent approximately \$14 million on consulting and professional fees. This is reported publicly in our [Annual Report](#), in line with our reporting obligations. Other government agencies are required to disclose details of consultants.

The University uses consultants for a range of activities, including for specialised or technical advice, and on a temporary basis – for example for specific projects. Examples of this include the University's investment in its human resource capital system (\$6.4M) and cyber security uplift program (\$500K), IT architecture and integration capability (\$1M). Consultants are also used for infrastructure projects including building condition assessments, design and certification, sustainability planning, and property planning and development activities.

Question 4:

The CHAIR: I understand this is a bit of a theme with a lot of the universities, where we have redundancies and then we are hiring back into the same positions and then having redundancies again a few years later. On notice, are you able to come back to me, of those redundancies from the 2019 and 2020 cut, how many of those positions were then refilled in between? Also, how many of those are now being lost again? If there's any data you can give me for that, it would be very helpful.

Answer:

The processes in 2019–2020 were largely driven by voluntary redundancies (VRs) and voluntary early retirement schemes (VERS), and without a detailed role-by-role analysis, it's difficult to say definitively which positions were later refilled or are now impacted again.

Since that time, some roles have been recruited for, but this has been in response to a range of factors – including student growth, shifts in strategic priorities, and emerging operational needs. In many cases, roles are likely to have been redesigned, or restructured to reflect new skills, processes, or service models – so it is unlikely to be a like-for-like replacement.

In terms of the current proposal, no final decisions have been made. We are in the middle of an extensive consultation process in line with our Enterprise Agreements and we are committed to genuine and constructive consultation with staff.

Question 5:

The CHAIR: Lendlease loans were taken out for student accommodation during COVID at the beginning of 2020. Quite a lot of money was paid out by University of Wollongong as part of that student accommodation lease. Can you confirm how much was lost as part of that deal?

EILEEN McLAUGHLIN: I was not at the university. I didn't join the university until 2021, so that is before my time as a member of staff. I will take that on notice and provide you with the information.

Answer:

No loans have been taken out in relation to Lendlease. Lendlease has no involvement with UOW's student accommodation. In 2014, UOW entered into a structured finance agreement with a private company for the operation, maintenance and construction of university student accommodation. This is not an unusual practice for financing and managing university accommodation in Australia. This agreement was put in place based on forecasting and trend analysis of demand and the University's financial position. The financing arrangement required the university to make top up payments to the financier in the event that student accommodation revenue fell below a certain point.

The unforeseeable and significant impact of the COVID-19 crisis, including the international border closures, required the University to review its position and implement measures to addressing budgetary impacts. This included an analysis of the potential scale and impact of ongoing top up payments to the financier. In order to mitigate the risk of large payments to the financier over an indeterminate period, in 2020 the University terminated the arrangement following extensive negotiations. There was a cost associated with the termination of the financing arrangement. Whilst the University paid to terminate the arrangement and raised debt facilities to purchase the accommodation buildings, the University received an additional 800 beds constructed during the period of the agreement. It is to be noted that the original transaction included the payment of \$120 million to the University at the commencement of the agreement. The accommodation portfolio generates a strong income stream per annum. Prior to terminating the deal, the University received no revenue from the student accommodation portfolio under the deal arrangements.

Question 6:

The CHAIR: When those sorts of transactions go wrong—or, being generous, if we're looking back, we can say that probably wasn't a very smart financial decision—I'm interested in what are the consequences for the for the council and the university governance as a whole? Is any action taken in those circumstances?

EILEEN McLAUGHLIN: For those particular circumstances, I am not aware, because I was not actually at the university when that occurred. I will take that on notice.

Answer:

The role of Council is to monitor and provide oversight of the University's affairs and concerns. The function of Council and duties of Council members are specified under the University of Wollongong Act 1989. These duties include that members act in the best interest of the University and exercise a reasonable degree of care and diligence in carrying out their functions.

Council and Council members carry out their duties under the Act based on the information and analysis the University provides to Council. Members evaluate this information and raise any relevant questions or seek clarification where required for assurances around the accuracy of the information. Should there be a breach of any duty set out in Schedule 2A of the University of Wollongong Act, the Council may remove a member from officer under Section 21G. Council is also responsible for monitoring the performance of the Vice-Chancellor to ensure there is appropriate accountability across University management.

When considering past decision-making, it is important to understand what information was provided to Council and university governance as part of the decision-making process. Noting that this question is relevant to the previous around student accommodation, this response will centre on this decision-making process.

As highlighted above, the original structured finance agreement was established in 2014 in a different operating environment for the University. The financial arrangements in place for the student accommodation partnership was subsequently significantly impacted by the unforeseeable COVID-19 crisis which was a global disruptor event. Based on the information presented to Council during this time on the University's financial position, partnership with the private company and forward outlook, a decision was made on the balance of risks to mitigate forward risks of further top up payments through the purchase of the assets to the University. The partnership agreement was terminated in December 2020 following extensive negotiations.

While it is important for every university to review decisions made with consideration of approach, implementation and outcomes, and carry forward lessons learned, it would be unreasonable to rely on the advantage of hindsight when evaluating a decision.

Question 7:

The CHAIR: I'm also told that in some cases, because a researcher takes their research grant with them if they move to another university, University of Wollongong is basically seeking out third parties not involved in the research to join the research so that then the research grants stays with University of Wollongong if the primary researcher was to leave. Have you had that complaint raised to you?

EILEEN McLAUGHLIN: That hasn't been raised to me, but I can take that on notice and make inquiries.

Answer:

I am not aware of this issue being raised with me. I am happy to investigate if more specific information can be provided in confidence.

Question 8:

The CHAIR: I come back to you, Professor McLaughlin. You may need to take this on notice as well. In terms of the debt refinancing that was undertaken, I've tried to make sense of this in the annual report and I understand there was some finance given at quite a low interest rate and it had to be refinanced at a more normal interest rate. Are you in a position to tell me what the financial impact of that refinancing has been?

EILEEN McLAUGHLIN: No, I'll have to take that on notice.

Answer:

The University has not refinanced any debt. The University has repaid/reduced debt in recent years (approx. \$205M since 2022 - \$55M CPI linked bonds, \$150M Macquarie bond).

Question 9:

The CHAIR: I'm just curious as to how it works in practice. When you look at the University of Sydney or other metro-based universities, if they then max out on their effective cap—whether that benefits the University of Wollongong that has historically had lower numbers of international students where those international students then come in to go to the University of Wollongong instead. I'm just curious on seeing whether the financial claims are over-inflated when it comes to the impact of international student numbers.

EILEEN McLAUGHLIN: That's a future event because that hasn't actually happened yet. So I would be speculating to do that, but I can certainly go back and look at the numbers for you and where the situation is at the moment.

Answer:

The future impacts of Australian Government policy, namely Ministerial Direction 111, are not known yet and we will continue to monitor this closely. We are not assuming that international students will change their study preferences and swap between Australian institutions. It is important to recognise that international students don't have to come to Australia. They have other options and if our policy settings does not enable them to study in Australia, they will look elsewhere, such as Canada or the United Kingdom.