REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 3 – EDUCATION

FUTURE DEVELOPMENT OF THE NSW TERTIARY EDUCATION SECTOR

UNCORRECTED

At Macquarie Room, Parliament House, Sydney, on Monday 7 September 2020

The Committee met at 10:15.

PRESENT

The Hon. Wes Fang (Acting Chair)

The Hon. Anthony D'Adam
The Hon. Scott Farlow
The Hon. Courtney Houssos
Mr David Shoebridge

PRESENT VIA VIDEOCONFERENCE

The Hon. Mark Latham
The Hon. Matthew Mason-Cox (Deputy Chair)

UNCORRECTED

The ACTING CHAIR: Welcome to the first hearing of the Portfolio Committee No. 3 – Education inquiry into the future development of the New South Wales tertiary education sector. The inquiry is examining the existing state of tertiary education in New South Wales and the key factors that should drive future development of the sector. Before I commence I acknowledge the Gadigal people who are the traditional custodians of this land and I pay respects to Elders past, present and emerging of the Eora nation and extend that respect to other Aboriginals present. Today's hearing is the first that we plan to hold into this inquiry. We will hear from eight universities with campuses in New South Wales. Before we commence I would like to make some brief comments about the procedures for today's hearing. Like so many other things that we have needed to adapt in the face of COVID, the hearings for this inquiry will be conducted in a hybrid format with some of the Committee members and witnesses participating via videoconferencing. This enables the work of the Committee to continue without compromising the health and safety of members, witnesses and staff.

This being the new territory for upper House inquiries, I ask for everyone's patience and forbearance through any technical difficulties we may encounter. If participants lose their internet connection and are disconnected from the virtual hearing, they are asked to rejoin the hearing by using the same link provided by the Committee secretariat. Although Parliament is closed to the public, today's hearing is being broadcast live via the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that you must take full responsibility for what you publish about the Committee's proceedings. It is important to remember that Parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. I urge witnesses to be careful about any comments you may make to the media or to others after you complete your evidence, as such comments would not be protected by parliamentary privilege if another person decided to take action for defamation.

The guidelines for the broadcast of proceedings are available from the secretariat. All witnesses in the inquiry have a right to procedural fairness according to the procedural fairness resolution adopted by the House in 2018. There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. I remind everyone here today that Committee hearings are not intended to provide a forum for people to make adverse reflections about others under the protection of parliamentary privilege. I therefore request that witnesses focus on the issues raised by the inquiry terms of reference and avoid naming individuals unnecessarily. Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. To aid the audibility of this hearing, I remind both Committee members and witnesses to speak into the microphones. The room is fitted with induction loops compatible with hearing aid systems that have telecoil receivers. In addition, several seats have been reserved near the loudspeakers for people in the public gallery who have hearing difficulties. Could everyone turn their mobile phones to silent for the duration of the hearing. Finally, could everyone participating via videoconferencing please mute their microphones when they are not speaking.

GEORGE WILLIAMS, Deputy Vice-Chancellor, Planning and Assurance, University of New South Wales, affirmed and examined

IAN JACOBS, President and Vice-Chancellor, University of New South Wales, before the Committee via videoconference, affirmed and examined

MICHAEL SPENCE, Vice-Chancellor and Principal, University of Sydney, sworn and examined

IAIN WATT, Deputy Vice-Chancellor, International, University of Technology Sydney, affirmed and examined

ATTILA BRUNGS, Vice-Chancellor and President, University of Technology Sydney, sworn and examined

The ACTING CHAIR: I now welcome our first witnesses. Would each witness like to start by making a short opening statement? If so, please keep it to no more than a couple of minutes.

Professor BRUNGS: Thank you very much for inviting me here and for your interest in the future of the tertiary sector. This is a wonderful opportunity as the sector is so important not only to our State, but also to our country. Although 2020 and the COVID pandemic has presented many challenges for the tertiary sector, both in Australia and around the world, I am buoyed and proud of the work being done by our academics, researchers and staff to support students, our community and, perhaps even more importantly, to support Australia's recovery through skilling, upskilling and training new people for jobs. Universities are public institutions, which means we exist solely for the public good—not just for those who pass through our doors, but for all society. While this role is important at any time, it is even more critical when society faces great challenges. This commitment has been demonstrated again in the recent collaborations between the sector and governments as we combat the COVID-19 pandemic.

At the University of Technology Sydney [UTS] we supported the New South Wales Government by lending our experts and facilities to manage the crisis itself. For example, our Data Arena was used to help complex modelling with the initial spread of the virus. We are focused currently on supporting the New South Wales Government by helping drive the New South Wales economic recovery through: programs aimed at job creation, new business creation or expansion of business, particularly small and medium-sized enterprises [SMEs]; programs aimed at upskilling, reskilling or new training to enable re-employment of individuals as well as enabling businesses to adapt to a post-COVID environment; research and innovation, which drives improved competitiveness of New South Wales businesses, or even a generation of whole new industries for New South Wales, such as the case of the algae industry; and research and innovation, which alleviates societal challenges due to COVID or increases the resilience of our communities.

In terms of the future of the university sector, we know that the world and the future of work is rapidly changing, presenting new and unique challenges for society, which is something we have all seen accelerated in 2020. At UTS we are focusing on driving two things. The first is a transformation to a lifetime of learning. Universities in Australia and globally are adapting to embrace a lifetime-of-learning mindset to keep pace. Education is not something that finishes at school or with some tertiary experience; it will continue throughout our lives and career as the workplace evolves and our requirements for skills change. Therefore our focus is on enhancing our student experience to make sure that they have the capabilities to be successful throughout their whole career, working in partnership with VET, TAFE and businesses to enable ongoing educational experiences for people throughout their entire lives.

Secondly, UTS has responded to the changing needs of society by working much closer with enterprise and businesses to help businesses tackle the challenge of educating and upskilling entire sections of their workforce. For example, we recently commenced an enterprise learning partnership with Telstra, where our staff helped members of their workforce upskill in the micro-credentials of data analytics, machine learning and advanced data. We designed these courses to also be industry agnostic, meaning the content can help other enterprises upskill their workforce. By offering short forms of learning we are aiming to lift skill levels and provide Australian businesses with an expanded pool of talented workers where they are needed most to help our economy recover. The next major area of transformation is how we can more effectively transfer the vast storehouse of research-based knowledge and innovation in universities to community, industry and government to drive economic prosperity and societal wellbeing.

UTS is in a strong position to make a huge difference with our close ties to industry. For example, last year 86 per cent of our undergraduate students graduated with an internship or an internship with life experience—they worked with industry all the way through their degree. There is no doubt the world will be different in many ways post COVID, but by seizing opportunities such as these we want to be on the path to ensure the workforce

has the skills and to ensure that business, governments and communities have new innovations to enable our country to recover and ultimately thrive now and into the future.

Dr SPENCE: Thank you for the opportunity to appear and for the Committee's interest in the work of the New South Wales tertiary education sector. Members of the Committee would be aware that the University of Sydney was created by an Act of the New South Wales Parliament in 1850. As the Act explains, the university exists to further the teaching and research objectives of the State. That is a responsibility we take very seriously. Our annual report is tabled in the New South Wales Parliament. We answer to a New South Wales Minister despite receiving funding from the Federal Government. We work really closely with the New South Wales Government in order to understand its goals and to identify opportunities to work together. We have interests and a presence across all three Sydney cities as well as regional New South Wales, including Orange, Dubbo, Broken Hill, Lismore, and Narrabri, each working with their community of interest.

A core focus is, of course, to provide world-class teaching and research to our students and local community. With more than 73,000 students and around 10,000 staff, we graduated 14,000 students in 2019. We believe—and others have affirmed—that we do this well. The university leads Australia and ranks fourth in the world in the QS Graduate Employability Rankings. Despite this success, we have continued to improve our undergraduate offerings to ensure their quality and in 2018 rewrote our undergraduate curriculum after consultation with employers not only here but overseas. The new model allows students to have more real-world experience as well as encouraging international exchange and improvement in areas like digital literacy. It has been well received by employers, students and potential students alike.

We also work closely with the NSW Health system with nearly 3,000 people affiliated with the State's health and hospital facilities. This partnership involves translational and clinical research and practice as well as training the medical workforce of tomorrow and, indeed, the workforce right across the health professions. We have hundreds of staff working on research to help address the crisis caused by COVID-19, including the person who first published the genetic code of the virus and others who have supported work in infectious diseases at Westmead and worked on high-quality risk communication and the 3D printing of ventilators—people who have worked very closely both with the Federal Government and with the World Health Organization [WHO] in the development of their pandemic plans. Of course, our work is broader than COVID-19 and includes the world's greatest challenges, from quantum computing to plastic waste recycling—in a development about which the Prime Minister boasted to the General Assembly of the United Nations—to agricultural robotics that increase crop yield and quality. This makes an enormous contribution to the New South Wales and Australian economies.

The University of Sydney has recently commissioned research that shows our contribution to the New South Wales economy in 2019 alone included over 31,000 full-time equivalent jobs outside the university with an economic output totalling $5.3 billion. Most of those jobs are, as I say, outside the university in areas such as retail, construction, tourism, real estate and hospitality. The report found that for every dollar invested in the university's research a further $7.82 is generated for the economy, with research activities from 2019 set to add close to $2.2 billion to the national economy. As a result of this academic activity, members of the Committee may be aware that higher education is New South Wales's second largest export after coal. Of course, I am conscious that there are a wide range of views in the community as to the value of international education. On that, it might be helpful for me to explain that the funding that we receive from the Commonwealth to teach many domestic courses does not cover the cost of teaching our domestic students and that we lose money on every research dollar that we earn for the same reason.

This business model, which has been in place under both political parties for many years in Australia, leaves research-intensive universities with particular funding challenges. Since the 1980s, when Australian public universities received 90 per cent of their funding from the Commonwealth, until today, when the University of Sydney earns less than 30 per cent from public sources, this shortfall has been managed across the sector with income from international students. I personally am a very strong advocate of the contribution that international students make to our community not just for this economic contribution but also for the creation of a genuinely international experience for all our students. I also believe that the State has much to gain from these graduates and their connection to Sydney. We have 350,000 alumni in more than 170 countries. They are influential advocates on behalf of Sydney, New South Wales and Australia, as well as the university, and we are very grateful for that ongoing relationship.

Finally, I wanted to place on record the university's contribution to the New South Wales workforce. Many of these are in the public sector, including nurses, teachers, physiotherapists and other allied health professionals. At present we have around 14,000 students enrolled in health courses and we are responsible for around one-fifth of the total health graduates destined for the New South Wales health workforce annually. Our students across health professions complete more than 250,000 unique clinical placement days each year in the New South Wales public health system, providing direct care to patients in New South Wales.

We also produce around 10 per cent of the New South Wales teaching workforce, graduating hundreds of high-quality teachers every year across New South Wales for careers across New South Wales schools. We see this as a mutually beneficial partnership. We are tremendously proud of the contribution that our students and staff make to the wellbeing of the State of New South Wales, for whose service we were founded. As Australia's oldest university and a key part of the city and State for over 170 years, it is our aim to not only produce great students and world-class research but to spend every day working for the good of this State and Australia more broadly. Thank you again for your interest in the future of our State's tertiary education sector. I look forward to answering any questions you might have.

Professor JACOBS: I will be giving the opening statement on behalf of the University of New South Wales [UNSW]. It is a pleasure to join this hearing. I acknowledge the traditional custodians of the land on which each of us meet and I pay my respects to Elders past and present. Chair and Committee members, I want to start by emphasising that our UNSW strategy is built around a mission to serve our community in New South Wales and Australia, and to have an impact on the lives of people globally. We deliver that through stellar research, innovative education, thought leadership and a commitment to equity and diversity. The expertise of UNSW academics, which has been built up over decades, is here to support the people of New South Wales. Our academics have responded in times of crisis. Just some recent examples are the Opal Tower issue, the Menindee fish kill, the horrors of the bushfire season and now the greatest public health crisis we have witnessed. We take seriously and cherish our responsibility to teach and nurture the next generation of our nation's academics and work-ready graduates. The reality is that, in our pandemic-affected economy with recession and high unemployment, we need innovative solutions.

It is not only UNSW. Our State has extraordinary expertise in its universities. New South Wales, with just 0.1 per cent of the global population, has 3 per cent of the world's top 200 universities and this Committee will hear from most of them during this hearing. At UNSW we are committed to educating skilled graduates suited to the evolving needs of business and industry. We continue to produce world-leading research that creates new industries, jobs and economic benefit, as Dr Spence has outlined. Quantum computing, advanced materials, energy technologies, healthcare interventions, innovative design—I could list many more, but I just want to finish my introductory remarks with one important example for the future. In western Sydney, our partnership with the Universities of Newcastle, Wollongong and Western Sydney University is working with New South Wales government agencies and the vocational sector to establish an innovative, skills-based, industry-embedded educational approach at the aerotropolis.

The research and development aspect of this partnership, with four universities built on a globally competitive engineering and science expertise across our State, will create advanced manufacturing industries worth billions of dollars for the New South Wales and Australian economy, and will support thousands and thousands of new jobs. In conclusion, it is worth noting that UNSW evolved from a technical college to a university in 1949 in direct response to the needs of post-Second World War Australia. Today, we have the knowledge and capability to respond to the needs of a post-pandemic society. I am looking forward to your questions and to giving you a greater insight into how UNSW and the other universities in New South Wales can assist the New South Wales Government in the recovery of our State. Thank you.

The ACTING CHAIR: Before I open up to questions, I want to address some issues. The usual Chair, the Hon. Mark Latham, is unable to be in the meeting today in person, so I am the Acting Chair for today's hearing.

The Hon. COURTNEY HOUSSOS: I need to make a declaration: In addition to being a graduate of the University of New South Wales, I have served as an ambassador for my former Faculty of Arts and Social Sciences.

Mr DAVID SHOEBRIDGE: If we are going to make declarations, then I will make a declaration about being a graduate of the University of Sydney. It will not affect my questioning.

The Hon. SCOTT FARLOW: As will I, with the same caveat as Mr Shoebridge.

The Hon. ANTHONY D'ADAM: On that basis, as will I.

The ACTING CHAIR: I was a former student of the University of Sydney, but then I went on to the University of New South Wales and graduated from aviation.

The Hon. ANTHONY D'ADAM: I refer to an article that ran in *The Australian* on the weekend by Greg Craven, a member of the Australian Vice-Chancellors' Committee but which I understand now is Universities of Australia. It was a scathing attack on the Group of Eight universities. I think two are represented here today. His basic thesis was that, with the collapse of the international student market, "elite universities" as he characterises them were going to now cannibalise the domestic student market and produce a crisis in the sector beyond universities that are predominantly reliant on the overseas student market. In the article, he says:

> … the reputation elite universities will use as bait is based on rankings and buildings bought with the same reliance on international gold that has brought them low. And their offer will be to domestic students they have disdained to teach for decades, do not want, cannot service and look forward to replacing.

It is a pretty scathing article and I thought I would open by offering you an opportunity to address some of the issues that Professor Craven raises.

Dr SPENCE: I have to say that it was an article that I simply did not understand partly because the number of Commonwealth-supported domestic places that we are able to take is capped by the Government. Therefore, the notion of universities scrabbling to take more of them is confusing to me. If you are looking to make up the income that we would lose from international student fees is also very confusing. Of our $2.8 billion turnover, about $1.2 billion comes from international student fees. On domestic teaching in globo, we lose money because some subjects like vet science, agriculture and those taught at the Conservatorium of Music are significantly underfunded. It just about evens off with some of the domestic subjects on which you make a low margin.

Domestic teaching is not a particularly profitable business, even if the numbers were not capped. No international student takes the place of a domestic student. They are simply not fungible in that kind of way. That whole article was built on a premise that from my point of view was simply unrecognisable. It was colourful and plausible if you knew nothing about the way the universities sector worked, but puzzling to those of us within it. We already teach 73,000 students and have no desire to grow. In fact, our second semester enrolments are pretty good, including from international students.

Professor JACOBS: I agree with everything that Professor Spence has said. It is wonderful always to have Greg Craven introduce a bit of controversy into things. It is a good debate to have. He is imputing motivation and behaviours in which our universities are just not interested in indulging in. We are interested in the sector as a whole and what he sector can deliver for the State and for Australia. Beyond that, as Professor Spence said, we are capped on the number of domestic students that we can have. There is very little financial incentive for us to go above that in financial terms even if we could. The real issue facing our universities, which I am sure the Committee will get onto, is the risk to our outstanding, high quality, large-scale research activity posed by the fact that for the moment having a decrease in international students at our universities. Universities Australia has estimated $16 billion through to 2023. If that happens, and it is already happening, that will compromise our ability to deliver research. Of course, our universities are looking to protect the research because it is so important not just for our universities but also for our society. I will pause there because I am sure that will be a topic that we will get onto further in this hearing.

The Hon. COURTNEY HOUSSOS: You said that there is a risk to research. I will ask you to answer my next question and then I will go to Dr Spence and then Professor Brungs. Can you talk about the risk to research? Will any of your research into COVID be under threat as a result of the decrease in international students?

Professor JACOBS: A large part of the research activity in the Group of Eight and other universities in Australia and an increasing part over the last decade has been funded by other activities that universities undertake and generate income from aside from public government funding for research. That is now a very large proportion. Some of it is from philanthropy, a growing amount is from partnerships with industry and a significant part is from international student fees. I see that as a good thing. A mixed portfolio of funding is exactly what any nation wants in order to get the full benefits in terms of jobs, economic growth, opportunities, intellectual benefit and social progress. A mixed portfolio is what is needed to fund the research, so a sensible balance is good. We have had a large part of that from international students.

Because of COVID-19, international travel—as you obviously know—is not possible. That means we have had an immediate hit for UNSW. The estimated hit next year financially is $370 million. That is the financial gap that we have got to close and a lot of that impinges on our ability to deliver research. We have protected, insofar as we possibly can, research immediately related to COVID-19, for obvious reasons. We have succeeded in protecting that. What I was referring to was the risk to the high-quality research which drives innovation and works with business and industry to create jobs. That is a risk not just now but looking forward to the future.

Dr SPENCE: Research in Australia is significantly underfunded. For every dollar in research grants that we get from the Government, we need to find somewhere between $1.50 and $1.75. If you do the numbers very conservatively, it is $1.50. If you are a little bit more realistic, it is somewhere closer to $1.75. The only source of, as it were, free cash to fill that gap is currently international student fees, plus the money that we get from philanthropy and from partnership with industry and whatever it might be. This is very different to the system that I will be going to, where you get 88p in the pound for research funding. That does mean that we have been excessively reliant upon international student fees as a system to keep our research infrastructure going.

Again, we have done what we can to protect our COVID-19 research but it is other things. As I alluded to, the University of Sydney produced the world's only effective end-of-life plastics recycling technology which is currently going into production in England, Germany, Austria, Canada and East Timor—not Australia for reasons to do with the legislative complexities of introducing new technologies. I could go on endlessly, as could Professor Brungs and Professor Jacobs, about the other kinds of work that we do that is directly related to the issues that Australia is facing. If we have seen anything during the COVID pandemic it has been the importance of locally done work addressed to local problems.

Professor BRUNGS: Both Professor Jacobs and Professor Spence have said most—I would like to take us back to a level that I think is important to mention and put on record. Again, while international students have been a large part of the funding for research and for domestic students, it is also important to understand that we get great cultural and community benefits from international students. We design particular products to make sure that the international students have as good an experience in Australia as possible in terms of value for money. Compared to the UK, the US or any of our competitors, they can get a much cheaper and much better experience in Australia. That is why Australia has such great success in the international student market.

We make sure that they get an incredibly valuable experience, which enables them to get jobs and drive the economy and societal prosperity of their countries when they go. We have had a nice nexus where we have been able to provide a wonderful experience and build Australia's international connections. As Dr Spence mentioned earlier, one great advantage is that we have this huge diaspora of international students who leave Australia loving Australia, loving Australian values and way of life and connecting with Australia. They go overseas and keep those connections with businesses.

We have also created a system that enables us to fund our research efforts to make sure that we have the best research for our societal wellbeing in Australia. You need to understand that Australia is a very small part of the world's international research system. Therefore we need to connect to it, but we also have to do the research here so we can solve the problems of our society. For example, we have a robot that looks after sharks and helps keep people safe on the beaches. That was developed by students here; no other country in the world would do that. That is why we need to do that research here, working with Dee Why and local beaches. I am a lifeguard so I am particularly passionate about this one. It has to be done here. The risk we have is that without that funding, much of the local research may not happen. Even though we will do our very best to protect what we can of the highest priority research, as both Dr Spence and Mr Watt said, we are still facing challenges.

The Hon. COURTNEY HOUSSOS: Have you identified any specific projects that you are going to cut as a result of the decline in international students?

Professor BRUNGS: Not at this stage, no. I am sure we will talk about it later on, but we have managed to keep 2020 largely under control. We have also had the fortune that much of our industry research this year—much of UTS funding is perhaps slightly different to the other universities. We are quite research intensive but we are particularly research intensive with industry funding.

The Hon. ANTHONY D'ADAM: I wanted to move on to the issue about insecure employment. We have seen a long-term trend in the university sector of a shift towards insecure employment and I think we would probably all agree that more secure forms of employment are socially beneficial. I wonder whether the panel might be able to provide some background as to the reason why the business model of universities has so dramatically shifted to more contingent forms of employment rather than giving preference to having secure employment for their workforce.

Dr SPENCE: I am not sure that I necessarily accept the premise in that the rates of increase in casual employment, when you compare them with the growth in the size of universities, are not nearly as significant as is often claimed. But there is an issue. If I could crave your indulgence for a moment, casual employees in universities come broadly speaking in four kinds. There is a vast number of people who work for the Sydney Symphony, for the court system or for whatever and come in to teach the piccolo in the conservatorium for a couple of hours a week, or judges who come in to give a lecture or two, or whatever it might be. That is about a third of our casual workforce at the University of Sydney: people who are teaching as a form of public service. About a third of our casual workforce are PhD students who are getting experience in teaching. Many of them are on scholarship, although not all. I think there is a real question about the PhD experience, particularly for those people who are not on scholarship, that needs to be thought about across the sector.

In the third group there are two kinds of people on casual contracts. The first is people who are teachers and not researchers. They are prohibited by the enterprise bargains of many Australian universities, though not all, from getting jobs. At my own university, for example, there is a requirement that everybody employed into an academic role does both teaching and research. It is a problematic clause of our enterprise bargaining agreement and something that really needs to be thought about. It actually means that if you teach things like small languages

or particular kinds of laboratory work, or whatever, you end up teaching Korean a couple of hours a week for us and a couple of hours a week at UNSW as well. That group needs to be thought about quite carefully. In particular, the research universities in Australia need to grow a teaching workforce that is a specialist teaching workforce, that is stronger than they have traditionally had and more in line with the patterns of the great research universities of the world.

The last group are people who have just finished a PhD and are genuinely waiting for an academic job and applying for academic jobs. They are particularly found in the humanities and social sciences and amongst that group there are real issues of insecure employment that need to be addressed by the sector. As a part of what we are doing as an institution in the conversations around workforce development, including in preparation for our next enterprise bargain, we need to think about those last two groups and how we can look after them better than we do at the moment. But the number of people in those groups has not grown dramatically in the way that is sometimes suggested. There are many more people, incidentally, coming in to do a couple of hours a week as our teaching gets more industry-engaged, but that is by the by.

Professor JACOBS: I have some concerns about insecure employment. Particularly in the current environment, the individuals who are affected by the current crisis are a real worry for us. Just to give a sense of the number of individuals who are involved in casual employment through UNSW, it is approximately 5,800 individuals doing just over 0.1 of a full-time equivalent in terms of employment. That comes down to about 740 full-time equivalents and our total staff numbers are over 7,200, so it is a relatively small part of our workforce. Some parts of that particular workforce are really important and valuable to our university and to our society because they allow us to reach out into broader society.

My view is that those people who are involved in the workplace and who often do this because they are passionate about it, enjoy doing it, get satisfaction from doing it, and contribute to the university on a very part-time basis over and above their full-time or other employment—that is a very valuable activity, as is the activity in this space of our PhD students. It is the other group of people who depend on this and may have it at risk, and do not have anything else to fall back on, that I am most concerned about. For that and other reasons, UNSW has been moving towards creating education-focused academic roles. Quite a considerable number of the casual staff that fell into that middle category have taken up the opportunity to become employed staff at UNSW through that scheme. I think that we should be concerned about people who are adversely affected because they are in casual employment. But equally we should celebrate the opportunity for our universities to reach out into the workplace, into professional roles, and get the input from those people into the education that we provide.

The Hon. MARK LATHAM: Thank you to the panel representatives and witnesses who have come in today. I wanted to take up the point that Professor Jacobs made about the funding of research. There does not seem to me to be any logical reason why it has become so dependent on the profits that are made from international students. There seems to be an argument from some of some evidence that this level of reliance has had an adverse impact upon teaching and academic standards inside the university system. This is perhaps a chance for Dr Spence to respond to a submission that one of his own associate professors, Salvatore Babones, has made to the inquiry.

He says that there are accounts of students who barely speak English, teachers who have been pressured to find ways to pass international students who are unable to meet academic standards and rampant contract cheating driven by student incapacity. I assume he is referring there to third parties writing essays for international students. Finally, he says that domestic students "routinely complain of being forced to act as informal tutors for group work assignments", where obviously they carry the bulk of the work. This is a very important point about standards and quality of university work for our domestic students. Are these complaints valid and how would Dr Spence respond to the submission that has been made by Dr Babones?

Dr SPENCE: I am very happy to do that. I think it is important to pick apart those claims one by one but to address them in the whole. The first is I utterly repudiate the suggestion that pressure is put on anybody to pass anybody at the University of Sydney and, if we were ever to discover that that was happening at a local level, that is something about which the university would take very strong action indeed. In fact, I am very proud of the moment some years ago—now I cannot quite remember how many, but let us say five—when 50 per cent of a given class were failed and it was the right outcome. We provided all the educational supports that we possibly could, but for various reasons 50 per cent of the cohort, both international and domestic, had not taken the course seriously enough and were all failed. It is really important that a university prepares students for passing and fails them when they do not meet the standards at the university. That is a suggestion that I utterly repudiate.

There are then claims about the language skills of international students. We have a project going at the moment to verify or falsify some of those claims. We have amongst the highest English language entrance skills for our courses in the world. We insist on very high standards of English language in the classroom and so we are doing work at the moment to test some of these claims in the ether about English language skills, because it is

prima facie difficult to understand them. We have also done a lot of work on the impact on student satisfaction, both domestic student and international student satisfaction, in relation to the classroom experience and student mix.

Interestingly, we have some courses—as every university does not only here but also around the world—that are predominantly attractive to international students. In those courses that are predominantly international students, unit of study satisfaction scores amongst both international and domestic students are very high. Interestingly, if the ratios are reversed and there are mostly domestic students and just a few international students, student satisfaction scores are also very high for both domestic and international students. Where the student satisfaction scores dip is actually in what we as educators would regard as the ideal mix, where there is a decent cohort of international students but mostly domestic students in the sort of 60-40, 50-50, 70-30 range.

That is something we do not quite understand. We have been doing a lot of careful work on picking that apart and making sure that classroom pedagogies in those mixed classes really address the issues at hand, because they are ideal. We are preparing young people for work in not only a global world but also a multicultural Australia and unless they can deal with people whose cultural assumptions are different and perhaps yes, within an acceptable range, whose language capacities are different, they are not going to be successfully prepared for a career either here or in our region or beyond. That mix is something that we think enriches a classroom and that the universities of Australia have a unique opportunity to get right, because it is going to be important in preparing students for their careers.

The Hon. Mark LATHAM: Is there a difference in the pass rates at Sydney university between domestic and international students? If so, what is that difference?

Dr SPENCE: I would have to take the question of detail on notice, but every time we do this work, it demonstrates that international students are more likely to pass or get a credit and less likely to get a distinction or a high distinction. If one were to trade in generalities, they work harder and they are therefore more likely both to pass or to get a credit but they are operating in a foreign system and therefore getting a distinction or a high distinction in competition with students who are operating in their native educational system is more difficult. That is sort of what you would expect.

The Hon. Mark LATHAM: But there is a perverse financial incentive for universities to pass them through, is there not, given the heavy reliance on their fees funding your research? Do you think that perverse incentive is healthy in a system like a university?

Dr SPENCE: With respect, Mr Latham, if you think that, you know nothing about how university communities work. University vice-chancellors all over the world will tell you that getting academics to do the lawful and required is difficult enough. The notion that an academic would take direction from some central apparatchik or even local apparatchik to pass a student that they thought should fail is simply risible. I admit that in newspaper talk it sounds plausible that there are those perverse incentives, but it is not actually the culture of an academic institution. That said, if your question is, "Should the governments of Australia see research funding as a priority?" then my answer is yes.

The Hon. Mark LATHAM: No worries, I take that as a given, but I am only asking the question because one of your academics has said it about your academic system; it is not newspaper talk. But just moving on to the other point that he has made about the third parties writing essays for international students, I mean it is not hard to go to a whole bunch of websites at any time and it is a service that is there. It is obviously cheating because it rewards people who have the money to pay others to write their essays. How has this culture been allowed to flourish inside any university?

Dr SPENCE: That again makes an assumption that I would repudiate. I do not think that the culture has been allowed to flourish within any universities. Some years ago we at the University of Sydney set up a thing called the Vice-Chancellor's task force on academic integrity and introduced academic integrity systems that at the time were emulated by universities in other places, including overseas, because they were really state of the art and we have continued with that process. Contract cheating is an issue not only in Australia and not only for international students but actually globally. That is a real problem that the university system is addressing.

Mr DAVID SHOEBRIDGE: Thank you all for attending. I ask each of the witnesses representing the universities what you understand to be the current proportion of your staff that are on insecure terms? We know that there is a national reporting requirement on all of you but we actually have much richer detail in Victoria, where universities are actually required to report upon their staffing rates to the State Government. For example, we know the University of Melbourne has 72.9 per cent of its staff on insecure terms and Monash University has 72.8 per cent. Perhaps starting with the UTS and then going to the University of Sydney and the UNSW, what are your current rates?

Professor BRUNGS: Thank you for the question. UTS' academic workforce comprises 54 per cent of ongoing staff, 25 per cent fixed-term staff and 21 per cent casual staff. Again, I would just like to reiterate the statements from Dr Spence before about the importance, maybe more so at UTS, of a reliance on practising professionals because of the nature of our university. For example, in our law faculty 70 per cent of our casual staff are practising lawyers, judges, solicitors, barristers; similarly with the architecture and engineering.

Dr SPENCE: I last looked at these numbers about a week ago. The problem with the Victorian numbers is that they are not equivalent full-time numbers; they are warm body numbers. If you literally teach the piccolo for an hour a week you get counted as a person. We have about 7,000 casual staff and they constitute about 500 full-time equivalent [FTE], which makes for us 500 FTE out of about 6,000 FTE, of which about 3,000 is academic and 3,000 is professional. It is a real issue. As Professor Jacobs said, insecure employment in the university sector is a real issue, particularly for that group in the humanities and social sciences who are people for whom there are relatively full-time employment opportunities and for the group of people who have teaching but not research expertise and would like to teach in universities. For those people it is a very real issue indeed, but it is not the issue that it looks from the Victorian statistics, because the Victorian statistics are done on a person and not an hour basis.

Mr DAVID SHOEBRIDGE: Dr Spence, can you provide the actual data on notice?

Dr SPENCE: Yes, we can certainly provide the actual data on notice. That is not a problem.

Mr DAVID SHOEBRIDGE: UNSW?

Professor JACOBS: I anticipated this question so I can provide you the specific numbers. The total number of what we would call casual staff is 5,846. When you turn that into full-time equivalents it is 741 because, as I explained earlier, most of these individuals only work a small proportion of their time for the university. I could break that down further, because I think it is worth understanding that of those 5,846 some 3,215 are academics, which equates to 313 full-time equivalents, and 2,631 are professional staff, which equates to approximately 428 full-time equivalents. I also think it is interesting to note that the number is down since 2019.

I will just finish by saying that I really do think we should celebrate these individuals. There are some challenges, and I have spoken about those earlier, but I think we should also celebrate them. This is a great way of individuals who are out there in the workforce doing important jobs being involved in educating our students. Whilst I recognise the challenges of employment that not everyone can always rely on I also think that this is a great way of making sure that our universities are really well linked into the workplace, and a way of allowing our PHD students to supplement their income.

Mr DAVID SHOEBRIDGE: Professor Jacobs, did you say 5,846 who are on casual employment?

Professor JACOBS: Yes, and that is equivalent to 741 full-time equivalents. Our total permanent staff numbers are 7,200, so when you look at that as a proportion of full-time equivalents it is about 10 per cent.

Mr DAVID SHOEBRIDGE: What proportion of the staff are on fixed-term contracts? Obviously that is the other element of insecure employment. You have given us casual employment and you say 5,846 of 7,200 are on casual. What about fixed-term?

Professor JACOBS: I will be pleased to give you that information. Rather than guess that I will make sure that we come back to you with those numbers.

Mr DAVID SHOEBRIDGE: This is perhaps a question to each of you. I have spoken to many academics on fixed-term contracts whose contractual term ends at the end of the academic year and then they get a fresh fixed-term contract that commences at the beginning of the next academic year, as a result of which they get no paid leave. Would you be aware of that as a concern amongst your academic staff: the use of fixed-term contracts that run for the academic year and then end at the academic year, with no leave, and then recommence in the new academic year? Are any of you aware of those concerns?

Professor BRUNGS: Again, in the statistics that I gave you—I am fairly certain, but I can get back on notice—the fixed-term staff are longer than a year. We would regard those as casual contracts, in which case the casual contract rates, as part of what we do, include both sick leave and leave bonuses. I will get back to you in terms of that fixed-term but, no, I am not aware of that.

Dr SPENCE: It is certainly not a standard practice, for the kinds of reasons that Professor Brungs is talking about. But, again, we could get back to you with information about average duration of fixed-term contracts, which for us are much more common amongst professional staff than they are amongst academic staff.

Professor JACOBS: The implication is that we deliberately would set up fixed-term contracts which end at the end of the year to avoid people getting access to either sick leave or holiday leave, and that is not

something UNSW does. We do have academics on fixed-term contracts because their funding for their research is over a fixed term. That is part of academic life and it is a stress that many people, including myself, have been through during our careers. It does add to the stress of this sort of career path. But the situation that you are describing is not something that we would seek to put in place.

Mr DAVID SHOEBRIDGE: But you will get some answers on notice about whether or not there are any numbers in that regard—is that right, Professor Jacobs?

Professor JACOBS: Absolutely. We would be pleased to provide that.

Mr DAVID SHOEBRIDGE: Given there is that greater level of disclosure in Victoria would any of you object to full disclosure on an annual basis to the New South Wales Government that gives the full picture about secure and insecure employment? Would any of you object to having that level of annual transparency?

Dr SPENCE: I would object to it if the requirement was the Victorian requirement, which I think is simply nonsensical because it fails to adequately describe what is going on. But if it were a meaningful requirement of disclosure in relation to the basis upon which people are employed at the university I would really welcome it.

Mr DAVID SHOEBRIDGE: I mean the full data set: the total numbers in each of those three categories, which are your permanent, fixed-term and then casual, a breakdown between academic and non-academic, but then also the further data on the full-time equivalents so that you had the full picture. Would any of you object to that being provided on an annual basis?

Professor BRUNGS: One of the joys of being a university is that we are very transparent. Again, as Dr Spence said, as long as we have got the right transparency which gives the right story, because there is a big difference between full-time equivalents and individuals—there are so many things in our annual reports, which I believe is important as a public institution to show transparency. I cannot see a problem as long as it has got the right context there.

Mr DAVID SHOEBRIDGE: All of those data sets?

Dr SPENCE: Yes.

Mr DAVID SHOEBRIDGE: Professor Jacobs?

Professor JACOBS: I would favour anything which allows Parliament to have full understanding of the environment in which we are working and of issues that put talented people who we want to nurture and sustain at risk. What you are suggesting sounds like a sensible way forward, as long as the data is meaningful and accurate.

The Hon. MATTHEW MASON-COX: Thank you, gentlemen, for joining us today. I might turn to the New South Wales Government's support to the university sector, particularly looking at areas such as the NSW Public Policy Institute, the Sydney Quantum Academy, the health and education precinct the University of New South Wales focuses on, the Sydney Health Partners, the Brain and Mind Centre—it goes on and on. Whilst these investments from the New South Wales Government were perhaps less than you would like to see, I wanted to understand from your perspective what you are looking for from the New South Wales Government, what sort of investment you think we should be making in the university sector and indeed where you see some of those priorities in the near future?

Professor BRUNGS: One of the things I suppose that I would like out of this COVID period is—what I have noticed in the last little while is a much closer relationship between the New South Wales Government, all the departments and the university sector in terms of really working together. In the past, other States have been better than New South Wales in terms of how closely universities work. Both Professor Jacobs and Dr Spence talked about the great asset that this State has in its universities going forward. There are lots of things that we are working with the New South Wales Government on, particularly around COVID recovery, economic prosperity and driving new jobs growth. One of the things that I think would be a great advantage is making sure that we have a greater connection with the New South Wales Government in terms of understanding its priorities in all the different areas.

For example, we as a New South Wales vice-chancellors group meet regularly now with the New South Wales Minister for universities and with the secretaries of both the Premier and Cabinet and the Treasury, so we get a really good understanding of what the priorities are to try to help New South Wales recover and drive economic prosperity. That then enables us to shift, even in these challenging times—and I am sure you are all aware of the financial challenges universities are under. We still are public institutions, so we still have all of our efforts going towards, "How can we help this State recover?" An ongoing dialogue on that basis would be really

advantageous. From UTS' perspective we are driving four major things. The first is around the precinct strategies of the New South Wales Government. How do we create precincts? If you look at precincts, precincts are a great way of driving new business creation, expanding existing businesses and driving jobs growth.

A few things keep me up at night—particularly this year there are a number—but one of the things that worries me more than anything is that I will be graduating 10,000 wonderful individuals towards the end of this year and during this year. I see part of my role as a public institution to make sure that we have got the jobs for them to go into—not just giving them the best experience possible but working with the New South Wales Government to create the jobs. The Sydney tech precinct around UTS and Sydney University, for example, is a great example of how a precinct working with industry, community and universities can drive new businesses and jobs growth. That is one. UTS is also working quite extensively with the New South Wales Government and businesses right across western Sydney. We are taking a distributed model; we are trying to work with both TAFE and local councils to drive expansion in SMEs. If you think about the Australian industry sector it is actually SMEs that are one of the largest drivers of job growth, not so much the bigger companies.

The other one that we are working very closely with the New South Wales Government on, as well as with the Federal Government, is: How do we really drive re-education and upskilling? Part of this COVID period—it has exacerbated and pointed out not just flaws but experiences required in many of our businesses to keep operating and being competitive, and also required many of our businesses and their employees to develop new skills to operate in a post-COVID world. What we are dramatically accelerating at UTS—and what I am sure all the universities are doing—is how we work with micro-credentialing and work with enterprises directly to upskill their workforces to enable them to become competitive in a post-COVID world, but also to enable them to adapt to this COVID world that we are seeing. You would imagine that a lot of those things are around data—data literacy, data technology and so forth—but there are a lot of other skills, particularly around problem-solving, digital creativity and sense-making, which are really important for employees to have.

One of my more successful programs is actually working with some of the larger companies—particularly if they are thinking about laying off staff—in terms of, "How can we help re-skill their staff rather than laying them off so they can be re-employed?" Or, if they do get laid off, they have a useful skill set to find other jobs rather than not having the skill set at all. The last one, of course, is research priorities. We are doing a number of key works with the New South Wales Government on using the assets in the university. One thing people often forget about is that universities have wonderful infrastructure. If I just use two or three examples at UTS where we are working closely with the New South Wales Government—we have got the largest concentration of 3D printers in the southern hemisphere. We use those to not just do our research and our training but also work with local SMEs around us—this is also being supported by working with the New South Wales Government—so that they can do prototyping of new products and so that they can do small batch runs of new products that enables them to test markets and create new business opportunities.

Similarly we have got a facility called the algae biotech facility—which is one of the only ones in the world—which enables us to make a whole raft of products out of algae. We have got a particular startup, which was partially funded by a program the New South Wales Government helped us with in terms of getting new startups, which, in the crisis, turned algae into hand sanitiser when we were running out of hand sanitiser. But it is not just about that; how can they make more products that can generate new business growth? Even in algae you can create a whole new industry, which can replace some of the many job losses that we are seeing across our business sector at the moment. For me, they are the three broad areas that UTS and many universities are working with. In the future, getting mechanisms by which New South Wales universities and the New South Wales Government can work even more closely on driving economic prosperity or societal wellbeing is important.

The Hon. MATTHEW MASON-COX: Can I just come in there before I go to the other vice-chancellors? In relation to the current integration with the New South Wales Government, you say you talked to the education Minister. Do you talk to other Ministers like the Treasurer and the Premier and the industry Minister?

Professor BRUNGS: Yes. At the moment we speak to most Ministers. We speak to most departments right across. All I was saying is that during the crisis the New South Wales vice-chancellors met almost weekly and then bi-weekly. At those meetings we had the Ministers and some of the secretaries come along. That is something that we have not had before—then again, we have not faced COVID before. I am just saying that the level of coordination is quite strong. I would like to see in this post-COVID period, particularly with the departments, an even greater sense of this connection on an ongoing basis, not just with education. Funnily enough, we have probably been doing more work with the industry-facing—and Treasury, as Treasury is trying to think through how it drives economic growth.

The Hon. MATTHEW MASON-COX: Could I also hear from Professor Jacobs?

Professor JACOBS: I am delighted to go next. This is a wonderful question. I am very pleased with the dialogue that we have with the New South Wales Government. I do think that there is a change and there has been a change—big progress—in the way in which our State Government has seen our universities and the asset that they are. I believe that is accelerating, given the COVID-19 challenges. In the past my view is that the State Government has not really recognised the asset that it has at its disposal. I will make the point that I made again on the numbers: 0.1 per cent of the world's population with 3 per cent of the world's top 200 universities—a 30-fold leverage. That is an extraordinary asset and opportunity for this State, which I think it is now seeing. It will not recognise the full benefit of that in terms of equity, diversity, inclusion, economic opportunity, social progress and jobs unless there is joint investment with the universities and with the industry.

So all of this for me is about getting a really good dialogue which in the end leads to investment with really clear objectives at the end of it. Those objectives have to be to improve the lives of our people through creating jobs and new opportunities. Part of it is through precincts. Professor Brungs has outlined some of the precincts that UTS is involved with. There are wonderful precincts that the University of Sydney is involved with. We have our Randwick health precinct, which is absolutely unique in bringing together a top quality, world-class university in all of the different disciplines. So health is no longer just about medicine. Health is about all the disciplines in our university, whether it is science and engineering, art and design, social sciences, built environment, business law—all of those things come together in our Randwick health precinct. That is a joint investment between the local health district, the university, the New South Wales Government and we hope also industry partners.

We have other examples and I mentioned the aerotropolis—the opportunity there to build on an Australian Research Council, or ARC, centre of excellence in engineering expertise involving Newcastle, Wollongong, UNSW and Western Sydney University [WSU] to create advanced manufacturing, to educate the workforce that is needed there and then produce advanced manufacturing, which is a wonderful economic asset for Australia. The opportunities for joint investment are extraordinary. The Parliamentary Secretary to the Premier, Gabrielle Upton, does have a committee, which is reviewing accelerating R and D in New South Wales. I think that is a very important venture and I hope that it will see, for example, progress in creating an Australian or New South Wales translational research fund which fills that gap between the very best basic science that our universities produce and the translation of that into commercialised entity and application. The potential is in the billions.

We have examples already. I will stop in a second but we do have examples already. Quantum computing is an example par excellence of the top quality research through our centre of excellence at UNSW, which involves seven other universities across Australia. That is absolutely world-beating. Quantum technology has so much potential for the future, socially and economically. We have investment in our Silicon Quantum Computing company from the university, from the State Government, from the Federal Government and from the private sector, from Telstra and the Commonwealth Bank of Australia. That is a wonderful example. We have lots and lots of examples, which I am sure you do not want me to go through for reasons of time, but if you want to come back to me I will be very happy to give you examples in energy, in sustainability and many, many other areas. But I will stop there for now.

Dr SPENCE: I will be very brief. I could talk about our work in precincts with the State Government across all three cities. I could talk about our work with Microsoft, who have identified the University of Sydney as one of the three places in the world most likely to turn on a quantum computer, and the work that we do in artificial intelligence. I would mention those both because with the work at UNSW to which Professor Jacobs has just referred, Sydney has an unusual concentration of expertise in quantum computing—jobs for the future. With the work that goes on at UTS in artificial intelligence, between the work at the University of Sydney and the work at UTS, in the Central Broadway precinct we have an unusual concentration of expertise in the digital sciences that again is creating jobs for the future. So I would just support what my colleagues have said both in terms of precincts and in terms of concentrations of expertise.

But I would really say in answer to your question: more of the same, because I am about to leave the University of Sydney, having been here for 12 years. There were three things that were true about the relationship between the universities and the State Government when I arrived. What you could hope for is that you would be ignored. The next thing that might happen if you were not ignored is that the State Government would work in areas in which there was world-class expertise in the university, using expensive private consultants, usually kids who got bad second-class degrees with clipboards charged out at enormous rates, who were trained in the universities that had world-class expertise in that area. Thirdly, that every time you had a conversation with the State Government about the development of your campus, the development of the city, the development about what you might do for the people of New South Wales together, you were treated a bit like Meriton or a private

property developer, not a State Government instrumentality founded by an Act of Parliament unable to deal with its land without the permission of the education Minister.

I have to say—and I can put this in a way that demonstrates no personal party commitment—that with the O'Farrell Government things dramatically changed and they changed in three ways. One, the nature of our conversation—and remember we are the most comprehensive university in the top 200 and so we deal with Primary Industries, Education, Planning, Treasury and Health. We have the largest health education activity in the State and one of the largest in the country. We deal with the whole lot. There has been a dramatic culture shift where the State Government really is seeing universities as a resource, where we find that there is much more consultation with our academics about areas within their expertise.

Things like our policy lab that works with State Government departments on issues that are important to them are flourishing. Similarly, in the conversations we are having around things like precincts we are seeing a real spirit of partnership with State Government that I think has been a dramatic shift since the academics at the University of Sydney first worked with what was to be the O'Farrell Government when they were in opposition on policy papers for them coming in to government. I would just say more of the same—more of that partnership to which both Professor Brungs and Professor Jacobs have referred as a kind of ethos in the relationship between government and universities. As valuable as funding is, ultimately genuine partnership is more important to our flourishing and to our ability to contribute to the State.

The Hon. SCOTT FARLOW: We are here to talk about the future of the university sector in New South Wales, particularly with a backdrop of COVID. From what I can ascertain between all three participants here your foreign student load is anywhere from 33 per cent to 36 per cent and revenue anywhere between 35 per cent and 39 per cent. That is a very large hole for you to be able to plug at the moment. What are some of the innovative ways you are looking at to try to address that decline in revenue?

Dr SPENCE: I am happy to start there. In fact international students are about 45 per cent of our student population and account for more than you have suggested of our revenue. We had COVID as a university first in China before we had it in Australia because of course with the travel bans that were implemented at the beginning of the year our Chinese students were unable to come. Within two weeks we had put 1,000 units of study online. We have put a lot of effort into supporting our overseas-based students who have been unable to come to Australia for their education but who wanted to start their education online. Interestingly, our second semester numbers are pretty good really because lots of people who thought that they would come to Australia eventually and therefore deferred either commencing or continuing their degree as international students have decided to start online.

It is partly a testament to the quality of the work that our academics did across New South Wales and across Australia in not simply bunging things online but actually putting effort into making sure that it was an effective educational experience, it is partly a testament to the quality that student support services did in supporting students at a distance and it is partly a testament to the quality of Brand Australia and the resilience of the Australian international education market. Now, a lot of the action is going to be in 2021-22, depending on what happens. That is why we are very grateful for the work that the New South Wales Government has been doing around the international student corridor and the possibility of bringing international students back. But, with a combination of just good old-fashioned TLC for our international students and the quality of the educational offering that we have, we have found that the international education market is more resilient than we thought it might be.

The Hon. COURTNEY HOUSSOS: Obviously, all of the universities have announced job cuts as a result of the decline in international students and we have specific numbers. Dr Spence, do you have a timeframe for when you are announcing your specific job cuts? You have not announced your job cuts, is that right?

Dr SPENCE: We do not currently have plans for job cuts. Given the financial uncertainty in 2021-22, we have recently announced a call for people to ask for voluntary redundancies. It is entirely voluntary, we do not have a number we are looking for, and we think that we are going to be able to survive the COVID pandemic without any compulsory redundancies.

The Hon. COURTNEY HOUSSOS: That is very impressive.

Dr SPENCE: We did have in place a long-term financial shock recovery plan for a very long time. Being prepared for an event like the pandemic, precisely to deal with the kinds of risks that the Hon. Mark Latham was referring to, has stood us in good stead in this context.

The Hon. COURTNEY HOUSSOS: Can I ask a more general question to all of the universities: In your modelling for job cuts or future financial planning, when are you factoring in a return of international students? We have limited time, so if you could keep it brief that would be helpful.

Professor BRUNGS: We have a number of models because there are some things that we can control and some things we cannot control. We have a variety of models about when the international students can come back: From the worst case where they are not coming back until the end of 2021 to, by supporting the work of the New South Wales Government—because the New South Wales Treasury is pushing to secure a student corridor to drive New South Wales' economic recovery—significant amounts of international students at the beginning of 2021. At the moment, given the uncertainty we need to plan for a range of scenarios and a range of uncertainties, and that is part of the balancing act that we do at the moment: How do we make sure that we have both modelled those uncertainties, but also take actions that deal with the seriousness of the situation—the situation is quite serious—but not overreact, if that makes sense, because again we are public institutions and we need to protect our staff, our communities and most importantly our capacity to help the State recover. That is the balancing act that we are doing in our modelling.

Dr SPENCE: Again, we have a whole stack of models. We are assuming not the first semester next year but for second semester next year in what we think is currently our most plausible scenario, although, of course, we are also preparing for the not-until-2022 thing and the student corridor in January, but we are assuming July or August 2021.

Professor JACOBS: This is a really important question, which obviously all of us have been thinking about for many months now. Actually, we are always thinking about our financial model regardless of COVID. I think the first point I would like to make is that our international students have not gone away. Young people, whether they are international or domestic, are passionate about their education. They understand the benefits that higher education brings. Many of our international students are in Australia and were in Australia before international travel became impossible. We are supporting those who have financial pressures as best we can. Many others are overseas but because of the quality of education that our universities can provide, they are still undertaking their education with our universities.

We still have something approaching two-thirds of our international students still being educated in our universities. Nevertheless, this is a major concern because if the students cannot travel to us, much will depend on how long they are prepared to stay with our education online, however good the quality is. As Professor Brungs and Dr Spence, we also have various scenarios that depend upon when international travel becomes possible again and how students respond to online learning. Our competitor nations such as the USA, the UK, Canada and others are working really hard to keep and increase their international student numbers. There are all sorts of variables. Our best guess for 2021-22 is that we will have a gap of somewhere between $300 million and $400 million and we had closed that partly with non-paid savings, partly by using reserves we put aside specifically for this purpose, but even with those two things, regrettably, we do need to lose jobs.

We are planning to lose 493 jobs in 2021 and that process is happening right now to make sure that we are in a sound financial position for 2021-22. I am very confident that in due course the demand for international education from UNSW and from Australian universities generally will continue to increase. The model for that delivery may change. One of the positive things about this crisis is that we have seen a much greater cultural acceptance and progress in the delivery of online education. I would see increased online, increased blended learning and continuing face to face, but how that will exactly pan out and when it will come back is really hard to predict.

If you take a long-term view, the nineteenth century was the century of primary education for everyone; the twentieth century was the century of secondary education for everyone across the globe; and the twenty-first century will be the century for tertiary education for a very large proportion of the global population. Australia is beautifully poised to respond to that, perhaps providing much more of it, virtually and from a distance, than we have done face to face. All of that feeds into making sure that our universities have balanced portfolio funding.

The Hon. COURTNEY HOUSSOS: Professor Jacobs, I am sorry, we have such limited time.

Professor JACOBS: I will pause there but I am happy to come back to that.

The Hon. COURTNEY HOUSSOS: I would totally agree with your sentiments and I think everybody wants to see international students come back as quickly as possible. Obviously, while we want to see some of that online there is also a concern about the economic benefits of them actually being here in Australia. Dr Spence, I have one final question for you. In your submission, you outline quite significantly your physical presence across New South Wales. I wanted to ask you specifically about the Parramatta and Westmead plans, the agreement two years ago, and the rural health schools, whether any of those are under threat because of the decline in international students?

Dr SPENCE: The simple answer is: no. We are still very enthusiastic about the possibilities of Parramatta and Westmead, where we have been since the hospital was built by our committee chair, by the Vice

Chancellor of the University of Sydney, to a design by a professor at the University of Sydney—yada, yada. We are very committed to expanding our presence in the central city. That is a long-term plan for us.

The Hon. COURTNEY HOUSSOS: But is there no final agreement yet, despite there being two years since you started negotiations?

Dr SPENCE: No final agreement but we are optimistic. We know that the Government also sees the importance of this project.

The Hon. ANTHONY D'ADAM: I noted from the Charles Sturt University [CSU] submission that its enabling legislation requires it to maintain campuses in particular locations. I do not believe the same obligation applies to any of your institutions. Given that the number of international students who come into Sydney in particular, into your institutions, place and enormous burden on housing stock, I wonder whether, given the question around the locational decisions of campuses, perhaps the State Government should have a more directive approach in terms of where your institutions locate your campuses. I wonder whether you might offer some comment about why similar requirements to those imposed on CSU should not be imposed on your institutions.

Professor BRUNGS: I am happy to start because UTS has a particularly strategy. As you know we are more than one big building now that we are very concentrated in the heart of Sydney. We have a unique approach to our campus in that we built no walls around our campus to make sure it is porous and as connected with society as it possibly can. We are also interested in the future of education, which does not necessarily mean that everybody has to come to one central location anymore. Our strategy across western Sydney is: How do we partner with TAFE and how do we partner with businesses to try to provide educational experiences to students in the workplace and in a more student model than it has been in the past?

I am not talking about online necessarily. I am talking about face to face. So we are doing work with the western Sydney university around Bankstown. We are doing some work in the aerotropolis and we are doing work north of the aerotropolis with a company called a Celestino. We are also having pop-up education, particularly for postgraduates. If you get back to one of the earlier statements I talked about, which is about how education is going to be a lifetime journey for people, there is a very important part of undergraduate experience but then postgraduate education I believe, as Professor Jacobs said, to enable more people to participate in tertiary education, it will be in smaller quantities when people need to study all the way through their lives.

If you look at most of the literature on it, it says that there is between 50 per cent to three times the amount of learning people have to do throughout their whole careers as their job skills change and as they need to be upskilled. We actually believe that how you rethink the way that universities can engage with businesses and do training in the workplace in businesses and do training in precincts is one of the most exciting parts I think of where the future of universities is going. Just focusing on campuses and mandating where campuses are kind of misses the trick of where the whole university sector and tertiary education need to go.

What I would very strongly welcome is a continued conservation with Government and the State around the priorities about where one wants to grow jobs and grow education. That is a great conversation to have. But just thinking I suppose simplistically about mandating a campus here or a campus there goes back to I would say almost an old-fashioned model of what a university is in that it is just this one building in one spot.

The ACTING CHAIR: Thank you very much. Dr Spence, do you wish to provide a very brief answer to that?

Dr SPENCE: We are deeply committed to regional communities that we serve. Often our international students want to be involved in our activity in the locations that they want to be involved because of a very particular activity. For example, at Narrabri we have one of the most important projects in relation to wheat grass but also wheat development generally, believe it or not, we share an unusual concentration of expertise with the Northwest agricultural college in Yangling. So lots of PhD students want to go and do their work in Narrabri or whatever it might be.

In the general competition for international students there is no doubt that it is harder to get them to go regionally. Where governments have tried to shape the preferences of international students, those measures have generally failed. But as an institution we are committed to regional communities and our continually promoting to our international students the benefits of experience in one or other of the regional locations that we are at.

The ACTING CHAIR: Professor Jacobs, do you wish to make a very, very brief contribution?

Professor JACOBS: Very briefly, I do not believe we need to be mandated to do this. It is in our DNA. We have the new alliance with the universities of Newcastle and Wollongong for that purpose. We have campuses and activity at Port Macquarie, Wagga Wagga, Albury, Coffs Harbour and we have a really exciting project in Walgett. We have the largest university campus in the world at Fowlers Gap. We have a new engineering site at

Parramatta. We have the aerotropolis. The direction of travel that you are indicating is something that we embrace and excites us.

The ACTING CHAIR: I ask all witnesses to please keep their answers very brief because of the limited time. I note that my definition of "very brief" and your definition of "very brief" is very different, but I would ask you to keep it very, very brief.

The Hon. SCOTT FARLOW: Thank you. In the interest of time, I will ask my questions on notice to all three of you as well. With respect to and following on from Dr Spence's correction of me previously, the percentage of international students on your campuses, the percentage of revenue derived from international students and the source country percentage of international students.

Dr SPENCE: For which years, Mr Farlow?

The Hon. SCOTT FARLOW: If you do it over the last three years—let us just put it at that. Thank you very much. I expect to now it will be quite different from what it was last year. Thank you very much, Dr Spence. Professor Brungs, I will start with you but I know we have a case of three universities that fall under different categories. On 3 June 2020 *The Conversation* had an article entitled "COVID-19: what Australian universities can do to recover from the loss of international student fees". In terms of levels of risk, UTS was rated at a high risk in terms of the COVID loss. The University of New South Wales was a medium risk. The University of Sydney was rated as a low risk. Even though it seemed to me that there is not a huge amount of variance in terms of international student numbers or international student revenue between the three universities, I just wondered in terms of UTS whether you have any comment on that article and the commentary in terms of UTS being at high risk?

Professor BRUNGS: Thank you for that. One of the challenges for UTS being a younger university—we are only 30 years old—is we do not have the large endowments that the bigger and older universities have. If you are doing a simplistic analysis of universities from the outside you can miss a number of things about what a university has being in terms of both preparing for a crisis like this—because we have a number of scenarios—and how it looks at its financial management. For example, UTS does not have the billion-dollar endowments of—I am sure Dr Spence will tell you how big his is soon—or endowments such as those for the other universities but what we have, which is slightly different, is first of all we capped our international students at about 30 per cent to make sure that the student experience is good and that we did not expose ourselves to risk as much, which is why you said there is not a bigger difference.

Secondly, we have a very large building program because as part of our transformation to lifetime learning we are doing things very differently. For example, we got rid of lecture theatres largely on campus. You would have noticed around our area of town we have taken the precinct very seriously so we are investing in both the infrastructure and teaching and learning infrastructure. That is where a lot of the international student money went to—I suppose reinvesting in the university for the future and building public assets. When COVID hit we were able to cease a lot of that building program, which basically gave us the reserves for 2020 to look after. All of that I suppose is invisible sometimes to an outside analysis if you are looking at large sums of money in a bank or an endowment, which of course we did not have.

If you look at a simplistic analysis in terms of endowments and bank accounts, UTS appears at high risk. If you take a sophisticated financial analysis, which is we have a AA1 credit rating and we are practically the only non-Group of Eight [Go8] among older universities in the country to have such a high credit rating. We have a significant campus program that we could pull back on, which we did this year, to make sure that we could look after community and look after our teaching and learning and look after our research. That enables us for 2020—and again, we have lots of challenges for 2021, don't get me wrong. That enables us to buffer more than anybody would have thought, had they looked at a simple analysis. Does that answer your question?

The Hon. SCOTT FARLOW: It does indeed. Thank you very much.

The Hon. MARK LATHAM: I wanted to turn to the China question. Obviously there is a uniquely Australian level on Chinese student fees to fund our research effectively that around the world there are only 10 universities outside of China that enrol more than 5,000 Chinese students—seven in Australia, three of them in New South Wales, who are the three universities on the panel this morning. What to do the universities or the vice-chancellors see as the relationship with China and its students in the future, given there are two big things outside your control: one, obviously COVID and the other is the remarkable deterioration over a short period in the Australian-Chinese diplomatic relationship that has gone from strong and effective to quite weak and suspicious with very clear suggestions of political interference in our nation?

What will universities be doing in the future to make sure the nation paying the piper is not calling the tune? In particular I refer to UNSW and the Elaine Pearson censorship, for the University of Sydney the security

notice that was issued by the Attorney General's department about the Confucius Institute and for UTS the dreadful, dreadful Huang Xiangmo scandal that obviously got way out of control in terms of the Australian public interest. What do the vice-chancellors see as the relationship going forward, and how do you address the concerns that this huge financial dependence will not be influencing the best practice of universities and the public interest in Australia in these various areas of concern?

Dr SPENCE: The simple fact of the matter is that China sends about a million students overseas every year to study. The next country is India, which sends about 300,000. The country after that is Germany, which sends about 120,000. South Korea sends about 108,000 and the United States sends about 79,000. Therefore any university internationally that has a large number of international students—for example, remember that at the London School of Economics their percentage of international students is around 75 per cent—has a preponderance of Chinese students just by the force of numbers. That is particularly true in Australia because in the big competitor market, which is India—remember, it is only one-third as big—Australia has not traditionally been an attractive destination for the highest quality students in a way that it has been in China, although that is changing and something that the universities are doing a lot in relation to.

The concentration of Chinese students amongst the international students in Australia is neither internationally unusual, nor surprising. There has been a lot of talk about the relationship between Australia and China as it plays out in universities. I have to say, from our point of view, it has only been positive. We have had very high quality students and we have excellent research engagements with Chinese universities. I do not know of any single instance, or there is no single instance that has been brought to our attention by the intelligence services, of there being a problem with the university's engagement with China. If there was, then of course the university would deal with it, and it would deal with it as an Australian institution with the interests of our own country first—as anybody, the Chinese included, I am sure would expect of us. On the matter to which you refer, it is a question about our Confucius Institute and whether or not our Confucius Institute ought to be registered under the foreign influence legislation.

Our Confucius Institute teaches no University of Sydney students. It is a community education activity overseen by people from the University of Sydney and from Fudan, but it teaches no University of Sydney students and makes no financial contribution to the University of Sydney. It is like an association for us with Alliance Francaise or the Goethe-Institut or whatever it might happen to be, except that the Chinese Government, because it is concerned about academic quality, has the institute overseen by a board made up of academics from the universities, but it does not teach University of Sydney students. It teaches community language and culture programs. I have been to two events. One was James Morrison playing the trumpet with somebody playing a traditional Chinese instrument. The inquiry from the Attorney-General's Department is baffling and we will reply to it saying it is kind of baffling.

Professor JACOBS: I see the large proportion of international students at our universities being from China as a parallel to Australia's overall economic situation. Trade with China is $235 billion per annum. Next is Japan at $90 billion and then you get smaller. That is the same with our international education. We all want to reduce the reliance of Australia and universities who have an international partner, but it will not be easy because the demand for iron ore, coal, gas, agriculture, wine, tourism and education is and will remain overwhelmingly from China. Of course, the money we receive from that effort does not just go to our universities; it flows into jobs, welfare, wellbeing and quality of life for Australians. It is important for us that our university international education profile parallels the economy of Australia.

On the freedom of speech issue, I do think that is a really important issue, we are proud at UNSW that we are a bastion of freedom of speech. Our freedom of speech policy, which I have restated many times in recent years, is that freedom of speech in our university is precious. It is the same as freedom of speech outside our university. When you step from Anzac Parade into our university, nothing changes. We are not absolutely perfect and Mr Latham pointed out a particular situation in which we failed. We acknowledge that, we have learned lessons from that and we move on. But we will protect freedom of speech and academic freedom absolutely in our university and on our campus. It is precious to our university and it is precious to our nation.

Professor BRUNGS: If I could just add to that very briefly. Again, one of the reasons why I think Australian universities are so successful is that we are unashamedly universities which are public institutions that exists for Australia and for the public good. But we are also all international universities. One of the things that has provided Australia great prosperity, and in fact societal wellbeing on the whole, is the connection internationally. As universities we need to keep those international connections. One of the things that people often miss is that when you do research connections internationally people think it is about Australia sharing its knowledge. Most of our research connections internationally—do not get me wrong, we have brilliant research in Australia—is how do we access the best research around the world and bring it back to Australia for Australia's benefit. Those international connections are very important.

Again, at UTS one of the things we want to make sure we do is not only do we have international students at about 30 per cent, we send over 30 per cent of our domestic Australian students all around the world to get those international connections, which builds it in. One of the things that is important that all universities are recognising, however, is the changing geopolitical nature of our world at the moment. Therefore, we are working with the Federal Government and the Home Affairs security agencies around the University Foreign Interference Taskforce. We acknowledged the changing dynamics of the geopolitical state and we are also working very closely with the Government to make sure that we have the right systems and processes in place to safeguard the independence and the autonomy of our institutions while not shutting them down.

Universities are open places. We publish everything and we give our knowledge away for free. That is how it works. That openness is a core part of how our society's universities actually succeed. We have to have a balance between working to make sure that we protect the right things that need to be protected—and, as the situation changes, working with our security agencies to do that—but also keeping very open institutions, keeping the academic integrity and the academic freedom to do what they wish, because that is a core part of what our institutions are and that is the benefit that we bring to society.

Mr DAVID SHOEBRIDGE: Professor Jacobs, going off the university's own data from its annual reports, the proportion of professional staff as opposed to academic staff keeps rising and rising and rising each year. The most recent data from 2019 has almost 1,000 more professional staff than academic staff. In fact, in just the last three years professional staff have increased by 718 and academic staff by only 339. Now academic staff are a very real minority at only 44 per cent of all staff. Is this a problem with the restructure? Is it related to the many complaints about the trimester reforms that have happened? Why is this happening?

Professor JACOBS: The first part of my answer is that we have increased our academic staff since 2015 very substantially. Of course, that is reflected by the rise in the quality of our research and in the quality of the education we can deliver. You will see that UNSW has risen very substantially in all of the three major global rankings, which reflects all of our activities. They are not perfect, but they are the best surrogate measure of our activity. Our academic quality has increased. It is also true to say that, in response to the expansion of the university, there are more students, more research activity and more grant income. We have also increased our professional staff to deal with that. I would accept that the number of professional staff has increased at a greater rate than we would have liked because we would have liked to automate our system much more quickly than we have done.

Our recently announced reorganisation plan, which is publicly available, describes the changes in staff numbers that we anticipate. We will have to reduce our staff numbers and we have given out the number of approximately 493. Unfortunately—that is unfortunate—a larger proportion of those staff losses will regrettably be professional staff rather than academic staff. We will be investing in automating our systems. We will have completed that process by the end of this year. Our staff numbers will be approximately 500 larger than they were in 2015. We are correcting the increase in size and the overall increase will then be approximately the same for academics as for professional staff.

Mr DAVID SHOEBRIDGE: But, Professor Brungs, the reports that I have had from your university are that each of the reforms that your university has done in the last few years—the restructuring of six faculties, the trimester system—has seen more and more administrative staff being employed and therefore a whittling down in the ratio of academic staff. Do you accept that is a problem?

Professor JACOBS: No, not at all. We have invested very heavily in academic staff and that is reflected in our achievements: increasing our citations, increasing our publications, increasing our academic engagement with industry, increasing our place in the global rankings. We have also increased professional staff because our academics demand that we increase our professional staff in order to provide them with the support that they need. We will get that ratio right. We are reviewing it at the moment. You mentioned UNSW3+. I am very excited and positive about the long-term impact of UNSW3+. It provides enormous opportunities for our students in terms of work-related learning. It gives them much greater flexibility. It gives them opportunity for international travel and flexibility in all sorts of other ways. We are not in the business of education for short-term popularity. We are in the business of education to ensure that we provide our graduates with a wonderful future and all that they need to be equipped for the future workplace. That is what UNSW3+ will provide and we are very proud of the direction of travel that we are taking.

Mr DAVID SHOEBRIDGE: This is a question to each of the three vice-chancellors. There is a very real concern among staff about either having wage freezes or, as we have seen in some of the institutions, substantial job cuts. Often one of the complaints you will be aware of is people compare the pay that vice-chancellors get—the extraordinarily high pay that vice-chancellors get—to the pay that particularly casual

academic staff get. Can you update the Committee on what, if anything, you have done about your pay rates? What are your pay rates and is that part of the cost cutting going forward? Will any reductions be permanent?

Professor BRUNGS: First of all, I would just like to say it is a deep honour to be a vice-chancellor of a university. There is a real privilege. Particularly in times like this when it is hard—it is again a privilege to try and serve the State. In terms of a vice-chancellor salary that is, as you would understand, set by the council and not by myself. They do benchmarking and they look at how a vice-chancellor's salary is set.

Mr DAVID SHOEBRIDGE: It was really just an information question. What is the rate? Have you agreed to take cuts?

Professor BRUNGS: From my perspective right early on—and this is a voluntary one, not just for myself—I took an approximately 25 per cent cut to provide funds for both student and staff hardship. I would also like to say, because this is very important and I know we have not got much time, that there are over 110 leaders across UTS—this was not mandated—who also volunteered parts of their pay to make sure that they looked after the most vulnerable in the UTS community.

Mr DAVID SHOEBRIDGE: My question was really quite simple. You have taken a 25 per cent cut. What does that mean in terms of what your salary is now and is that going to be a permanent cut?

Professor BRUNGS: To answer your question, we will look at it on a year-to-year basis. We are dealing with a crisis at the moment and that is where the 25 per cent cut came from.

Mr DAVID SHOEBRIDGE: What is the figure?

The ACTING CHAIR: Mr Shoebridge, I am going to rule out the question. The procedural fairness—you can ask a question but the witness—

Mr DAVID SHOEBRIDGE: The witness can take it on notice, but he must know what he is paid.

Professor BRUNGS: I do know what I am paid and it is a matter of public record because it is in our annual report. I will take that on notice and send that information to you.

Mr DAVID SHOEBRIDGE: Dr Spence?

Dr SPENCE: The University of Sydney is arguably the highest paying university in Australia in what is on average the highest paying university system in the world. When we were looking at the issue of potential salary reductions for COVID-19, we identified the 247 academic staff who were paid more than a quarter of a million dollars a year and the 45 administrators who were paid more than a quarter of a million dollars a year, so there is a lot of mythology around the notion that academics in Australia are underpaid. In fact, this is a generously paying system. That said, Australian vice-chancellors are very generously paid. We have always said at the university that I and my team would take a pay cut when we asked for staff to face redundancies or think about redundancies. When we announced our voluntary redundancy program—and I said it is unlikely that we will have COVID-related forced redundancies—we also said that we would take a 20 per cent cut on our base salary for the whole of 2020. That is what we are doing. Whether or not that will become a permanent part of the university's pay is something that you will need to ask the appointments committee for the next vice-chancellor because I am leaving the country at the end of the year.

Mr DAVID SHOEBRIDGE: Where does the 20 per cent cut leave your pay now, Dr Spence?

Dr SPENCE: Where does that leave my total pay? I don't know. What I can say is that it is a $1.6 million contribution across the deputy vice-chancellors, principals and myself.

The ACTING CHAIR: You are able to take the question on notice, Dr Spence.

Dr SPENCE: Thank you.

Professor JACOBS: Quick answer from me: $1.28 million and a 20 per cent cut taken in the context of this crisis. It is a temporary measure taken along with all the leadership team of UNSW, for whom I am very grateful. My salary is determined by our council and remuneration committee. It is not determined by me. I am not involved in that. I will just leave you with a quote from Frank Larkins at the Centre for the Study of Higher Education, who said that, by any industry benchmark, vice-chancellors' salaries are reasonable. They are high by public service levels, but universities have had to be entrepreneurial. They have had to raise a whole lot of their income in a competitive market. If you have got a budget of $2.5 billion, it is not unreasonable to earn more than $1 million.

Mr DAVID SHOEBRIDGE: Just for clarification, Professor Jacobs, is that $1.28 million which is being cut by 20 per cent or is that $1.28 million after the 20 per cent cut?

Professor JACOBS: The $1.28 million was the starter.

The ACTING CHAIR: I will draw this section of the hearing to a close. Thank you for attending the hearing today. The Committee has resolved that questions on notice will be returned within 21 days. The secretariat will contact you in relation to the questions you have taken on notice.

(The witnesses withdrew.)

(Luncheon adjournment)

ZLATKO SKRBIS, Acting Provost, Provost Portfolio, Australian Catholic University, sworn and examined

THEO FARRELL, Deputy Vice-Chancellor (Education), University of Wollongong, affirmed and examined

BARNEY GLOVER, Vice-Chancellor and President, Western Sydney University, before the Committee via videoconference, sworn and examined

Professor FARRELL: For this week only I am acting vice-chancellor.

The ACTING CHAIR: Would you like to make any opening statements? Please keep them to no more than a couple of minutes.

Professor SKRBIS: Thank you, Chair and Committee members. I am the acting provost and vice-chancellor-designate at Australian Catholic University [ACU]. I will take on the role of vice-chancellor in January following the retirement of Professor Greg Craven. As you know, ACU is a publicly funded Catholic university. It is open to people of all faiths and to people with no faith. The teaching, learning and research that we provide is based on the latest research insights but is inspired by longstanding Catholic intellectual tradition. ACU is the largest Catholic university in the English-speaking world. We have 32,000 students and 2,000 staff across eight campuses in four States and one Territory, and we have one campus overseas. In New South Wales, we have around 10,000 students located at our campuses in North Sydney and Strathfield. Our Canberra campus is home to many students from southern New South Wales. In 2021 we will open a new campus in Blacktown, which I would like to speak about in a moment.

While you will find ACU graduates in all walks of life, it is in the areas of health and education—areas of great importance to State governments—where the university makes its greatest impact. Right now thousands of ACU-trained teachers, nurses, paramedics and allied health professionals can be found working in communities across New South Wales. Many of them are the first in their families to go to university. They chose ACU because they wanted to serve and improve their communities. I am proud that ACU has helped them to achieve their dreams. Like all universities, ACU has been affected by the COVID-19 pandemic. This pandemic has created a challenging outlook for the sector and, while ACU has had to make significant savings to offset lost revenue, we remain on track to open a campus in Blacktown in early 2021.

As a fast-growing region that is home to a diverse, multicultural community—including a large Catholic population—western Sydney is a very good fit for ACU. The region also has growing skill needs in the areas of health and education. ACU's Blacktown campus will train local students to work as nurses and teachers in communities across western Sydney. The Blacktown campus will also embody ACU's core focus of collaboration and innovation. Along with our key partner, Blacktown City Council, ACU is collaborating with a range of local partners, including the Dioceses of Parramatta, business organisations, schools and hospitals, to ensure a world-class campus for the people of western Sydney. ACU is proud of its presence in New South Wales and the establishment of our Blacktown campus signals a strengthening of our commitment to the State and its communities. Once again, I would like to thank the Committee for the opportunity to appear and I very much welcome any questions that you may have.

Professor FARRELL: I thank the Committee members for the opportunity to present at this hearing. The University of Wollongong plays a vital role in driving social and economic change in communities across New South Wales, with nine campuses across the State, including regional campuses in the Shoalhaven, Batemans Bay, Bega and the Southern Highlands. Our regional campuses have built strong local community and business connections that continue to support local business growth and diversification through research collaborations, and our education programs provide a pipeline of skilled and career-ready graduates. Ranked in the top 200 universities in the world, our multidisciplinary research training and education addresses the needs of our communities. This is more important now than ever before because of the challenges that face New South Wales in terms of the social and economic recovery from the COVID-19 pandemic.

By preventing international students from travelling to Australia, the pandemic has resulted in unprecedented financial pressures on the New South Wales tertiary education sector. The University of Wollongong [UOW] expects to lose $90 million in 2020 alone. We have a planned recovery strategy that takes the university to 2023 and have reached agreement on variations to enterprise agreements that will help UOW return to a sustainable financial position while preserving as many jobs as possible. Despite being significantly impacted by the pandemic, we have not halted our efforts to support our students and communities in these challenging times. UOW continues to lead positive change by maximising regional assets. Strong partnerships between the university, entrepreneurs, industry and business, other universities and institutions, and government at all levels are accelerating innovation and investment. That helps to create new jobs and industries while improving the productivity of existing industries.

UOW is renowned for our innovative educational experiences that prepare students for the future of work. That is demonstrated in our Work Integrated Learning plan, where industry has an integral role in curriculum co-design and co-delivery. The university welcomes the Commonwealth Government's Job-ready Graduates Package as not only will it encourage more students to study in regional Australia, it will also increase university and industry partnerships through the National Priorities and Industry Linkage Fund. The world has changed since the pandemic, and our university, along with others across New South Wales, is playing a key role in helping people to re-skill and get back into work. To this end, UOW is delivering the largest portfolio of short courses created under the Commonwealth Government's higher education relief package.

We are also investing more broadly in lifelong learning as a strategic priority to meet the future needs of our students and communities. We are acutely aware that New South Wales must keep pace with emerging technologies. Our commercial research focus areas include power, energy and infrastructure, healthy living, biomedical science, future manufacturing including defence-related research, and social change and public policy. We are encouraging startups and entrepreneurship, and increasing participation in science, technology, engineering and mathematics, or STEM. Our initiatives are also helping industries adopt advanced smart factory production techniques. For example, the university and TAFE NSW are partners in the Facility for Intelligent Fabrication which connects industry partners, from SMEs to larger businesses, and educates them on the next generation of manufacturing and fabrication technologies.

Our UOW Industry 4.0 Hub in Nowra is modelled on this facility and is helping to position the Shoalhaven at the forefront of advanced manufacturing. Other ways that we are helping SMEs is through our successful Advantage SME program, which provides opportunities to develop new collaborations and business opportunities by engaging with regional stakeholders and industry, and at all levels of government. Advantage SME was established in 2016 as part of the Boosting Business Innovation Program, which connects the State's businesses with the university sector's research and testing capabilities. The Government's continued support for this program is imperative to push the development of new products and services and strengthen the State economy. We would echo the recommendation on this matter in the written submissions from Western Sydney University and UNSW.

Also in the area of fostering innovation, the university is providing our communities with access to tools, training and support to grow and scale up their businesses. This can be seen in our iAccelerate centre in Wollongong—Australia's largest university-led incubator and accelerator—and at the Bega Valley Innovation Hub. As a member of the new alliance, together with Western Sydney University, we are working to develop a multiversity within the Western Sydney Aerotropolis precinct. UOW is a foundation partner of the Liverpool Innovation Precinct, a strong collaboration between key organisations and institutions with a significant presence in Liverpool city centre. We recognise that western Sydney is emerging as a key player in the economic engine room of New South Wales and there is great need to develop rapid training and re-skilling programs. From our very beginning, the University of Wollongong has been committed to equity, fairness and social justice. This has contributed to our rank as the fifth best university in the world for reducing inequalities and thirty-first in the world for our overall impact in advancing the UN Sustainable Development Goals.

We work with our communities to drive increased participation and attainment among underrepresented groups. This is an issue that also needs to be addressed by the sector as we move out of the shadows of the pandemic. No-one could have anticipated the added challenges that the tertiary education sector in New South Wales now faces. The need for universities to move their entire education portfolios online has forced transformative change in the sector. Our goal is to enable all of our students, domestic and international, to continue to progress in their studies and to graduate them career-ready for the future. The tertiary education sector has always played a vital role in the economic and social development of New South Wales and more so now as we recover from the COVID-19 pandemic. Thank you for the opportunity to present and I am happy to take questions.

Professor GLOVER: Thank you very much for the opportunity to appear before the inquiry. In the interests of time, I would like to waive the opening statement other than to say thank you to the two colleagues from ACU and Wollongong for their great support of western Sydney. Of course we remain the university of note and substance in the west and continue to work very closely with our colleagues who are developing very important presences in western Sydney. But I think, for the sake of time and to get to questions, I am happy to waive any further statements.

The ACTING CHAIR: Professor Glover, you are a man after my own heart. Thank you very much. We will have timed questions from the Opposition, crossbench and Government and I would ask all the witnesses to please keep their answers succinct and brief if possible.

The Hon. ANTHONY D'ADAM: Professor Skrbis, in the earlier session I asked your colleagues from the University of Sydney and UNSW in particular about Professor Greg Craven's contribution to *The Australian* on Saturday. He makes some very stinging criticisms of the Group of Eight universities. In the response that we received from Dr Michael Spence, he repudiated the central argument that has been advanced by Professor Craven. I wonder whether you share the core critique that Professor Craven has outlined in that article, and whether you have any comment in terms of the position that Dr Spence outlined saying that the fundamental assumptions of the article are incorrect.

Professor SKRBIS: Thank you very much for the opportunity to comment. Professor Greg Craven is of course a well-known commentator on affairs relating to education and beyond. In terms of the core argument of the paper, my reading of the fundamental proposition that is being made is that COVID-19 is creating very particular atmospherics within society broadly, but more particularly and specifically in the higher education sector. As a result, I think the fundamental premises that have driven the higher education sector over the last few years have been profoundly shattered. That will have downstream effects for society more broadly and universities themselves. I do not want to go into specifics of his argument, but the fundamental premise that the landscape in higher education in Australia is going to shift as a result of the pandemic is appropriately framed.

The Hon. ANTHONY D'ADAM: Can I just explore that a bit further? Professor Spence said that the core assumption, which was about the Group of Eight elite universities cannibalising the enrolments or potential enrolments of what Professor Craven describes as second-tier universities and causing a crisis in the sector, was a nonsense because enrolments for domestic students are capped for each institution. Is that correct?

Professor SKRBIS: Enrolments are capped for each institution, but of course the composition of the student body is where there is space for some degree of freedom in terms of how student profile is built. Having said that, I think one fundamental issue that we need to acknowledge is that as players in the higher education sector we are all connected in one way or another. Clearly when you impact the key variables that affect all of us, you are creating some sort of chain reaction. The effect cannot be isolated to a particular institution or a particular group of institutions, but we need to see the sector in its series of co-dependencies that exist.

The Hon. ANTHONY D'ADAM: Can I just go further? One of the other arguments that Professor Craven raises effectively characterises the sector as a two-tier model. His supposition is that the elite universities really are not catering to lower socio-economic, rural and regional students and that they are prepared to ignore those sectors in pursuit of a research-focused agenda. What should the State Government be doing as policymakers to try and effectively rectify that imbalance in the load that is carried by one part of the university sector, in terms of trying to achieve social equality and better outcomes for students from lower socio-economic backgrounds? How do we get rid of this binary that seems in Professor Craven's submission to have emerged in the sector, where one group of universities is better catering to students from lower socio-economic backgrounds and the Group of Eight seem to be shirking their responsibility on that front?

Professor SKRBIS: I would say that where some people see binaries, others will see gradations. Most universities in Australia participate in the Higher Education Loan Program, which really is designed to enable widened participation in the higher education sector. Let me just for a moment bring you to my own institution. At ACU, given that we are driven by our mission, we are inherently interested and committed to ensuring that we enable as many people to access education as practically possible. It is in our mission, it is in our DNA and it is a living and breathing commitment that we espouse. I think it is fair to say that all institutions are trying in different ways to do their best, within their own remits, to actually make a positive impact on society more broadly. Again I would like to use an example of my own institution. We are very strongly and unambiguously committed to widening participation and access to a broad and diverse range of the population.

The Hon. ANTHONY D'ADAM: One of the other submissions—I think it was from Alphacrucis College—raised an interesting concept around a more distributed model of higher education. I note that the three universities represented here have much more of a distributed structure—in terms of operating from multiple campuses with much less of a centralised approach to the delivery of education—compared to perhaps UNSW or Sydney which have a more centralised, concentrated model. I wonder whether the panel might offer some observations around that as a potential way forward in terms of the evolution of the sector.

Professor GLOVER: Would you like me to begin?

The Hon. ANTHONY D'ADAM: Sure, that would be great.

Professor GLOVER: To pick up one point, if I may, on the previous response, I think Professor Craven did make a very good point in his article—not so much about two-tiered systems, which I would not acknowledge for a moment; I do not believe that is true, because I think we have the high quality higher education system in the country. I think we are likely to see in 2021 some heightened competition in terms of attracting domestic

students into Australian universities next year. That is not surprising and although the caps are in place, it is possible to enrol above the caps and to receive the student contributions as part of the financial support that institutions get to support students beyond the maximum base grant amount. I think there is a very important point that Professor Craven is making about the sector needing to be conscious of a period of further volatility in terms of our overall student load. I think that is a worthy point to make in the context of the evolving impact of COVID-19 and recovery from the pandemic.

You are absolutely right in terms of the question about campus networks. All of the universities in the room have a significant campus network. We do: we have 11 campuses, significantly across western Sydney, and we are in the process of doing a major decadal change in our campus network to ensure that our campuses are located, very importantly, where they are needed in the west, hence our decision to open a new campus in Bankstown, which will be opening in 2022. We are doing work around our new Liverpool campus, which we began in 2017; the expansion that is going on in Parramatta, with the engineering innovation hub joint educational program with UNSW—there are many examples I could give, but I will not run through the full list.

Our submission touches on this, but very importantly, as we see western Sydney—if I could be focused on my region—evolve over time as it is at the moment with transport infrastructure and investments by State and Federal governments; with city deals; with the Greater Sydney Commission's regional planning; and, of course, the airport, there is a need to ensure our campus network is fit for purpose for the generations to come. That is something we are looking at very deeply and seriously at the moment. I think that distributed model is expensive for universities, and in recovery from COVID we need to take that into account.

But it is a very important part from our perspective in supporting the need for higher education across the region and, particularly, in a region that still has substantial pockets of low socio-economic status, educational disadvantage and lower attainment levels than other parts of Australia. It is vitally important that we provide access to high-quality, world-class education in that context. I think the model that we have is the model that fits our region and our time and I think the same would be true of my colleagues. I am not sure that there is an alternative, but there is very, very significant work that goes on to plan the evolution of a campus network over time. They are very important parts of our educational infrastructure and research infrastructure.

Professor FARRELL: Maybe I will go next. To add a comment to the last question, which is that in my opinion in Professor Craven's article he is highlighting a risk, which is if there is a swing in students going to particular universities, it creates instability in the sector and it could have an impact on other universities. That has been the case in the UK, so that has happened in the UK and it has led to the government to introduce student number controls, not to allow some movement of students but just to contain the scale of movement so that it does not introduce further financial risk into the sector, a sector that is already having to deal with very high financial risk as a consequence of the pandemic. This is all fairly obvious stuff, so there is nothing particularly surprising there. It is nonetheless a very reasonable argument in the article.

I echo what Professor Glover was saying. Obviously, we all have large campus networks. I think the important point here is, look at what has just happened to us since April. We have all gone online; we have moved everything online and this actually facilitates universities that have networks of campuses because it means that we can leverage expertise right across our network and we can deliver right across our network. In one sense, the new normal for us as we emerge out of the pandemic will be significant strength with respect to our entire staff base having expertise in delivering education online.

It is very important for universities like ours, because perhaps what is unique about us, with respect to the other universities here today, is the extent of our transnational campus networks. We have three campuses overseas. We have campuses in Hong Kong, Dubai and Malaysia, which gives us the opportunity to create and deliver transnational learning opportunities. We know from surveys of students and of employers that transnational learning opportunities is right up there in terms of the list of things that students want to have the opportunity to experience and employers highly value. In all sorts of ways universities that have multiple campuses right across New South Wales and beyond both deliver to a broad swathe of communities and actually have a significant strength now going forward, because we are all online.

The Hon. ANTHONY D'ADAM: I might just take you up on that particular issue about transnational, because one of the terms of reference obviously relates to the place-based focus of universities. The University of Wollongong is perhaps a good example of a university that is located in a particular community but is now choosing to extend beyond that community. If indeed there is a purpose in having a place-based focus, how do you reconcile the strategy that you have adopted with international campuses and, perhaps, moving into western Sydney. I note that in the submission of Charles Sturt University, it raises a question about whether duplication of university providers in particular locations is a good thing that should be encouraged or whether it should be discouraged. It also highlights the issues around the competitive model and whether we should be moving towards

a more rationalised cooperative model, where a specific focus on particular regions is in the core remit and universities are encouraged to stick to that focus. I might ask Professor Farrell to respond to that.

Professor FARRELL: Yes, it is a really interesting question. Universities are place-based organisations; it is fundamental to universities, but of course they can be in multiple places and many universities are and have been for a long time. We have had campuses all over the place for a long time, including overseas—our Dubai campus was established quite some time ago. Our strongest roots are in the Illawarra and if you look at, for instance, our Nowra hub, we have very, very strong links in terms of developing entrepreneurship in industry and business in the Illawarra. That is our core and it will always be our core. Equally, we have had an established presence in Sydney with our Sydney CBD campus.

The thing about western Sydney is there is a huge need to there. You can see from the demographics and the demographic trends that there is a huge need for universities to support communities through their research in terms of entrepreneurship and business development there and, crucially, in providing higher education opportunities to young people. In a sense, for multiple universities to be developing operations in Sydney makes perfect sense because the need there is considerable. In that sense, because one of the virtues, I think, from a student perspective is universities are all about giving students education opportunities and multiculturalism—I mean, that is the future; it is a free exchange of ideas. By having campuses in the Illawarra, in Sydney and overseas, we facilitate that multicultural exchange of ideas, which is fundamental to university education. There is no contradiction there, as far as I can see, between being place-based but having multiple places in that process.

The Hon. COURTNEY HOUSSOS: Professor Skrbis, do you want add anything?

Professor SKRBIS: If I can just make a very brief comment to extend previous comments, how we serve communities is a critical lens that we take very seriously at my institution. When you think about places like Blacktown, like western Sydney, 50 per cent of greater Sydney's population lives in western Sydney and only 18 per cent of university places are located in western Sydney. That situation calls for a healthy dosage of collaboration and competition, I think. It is not surprising that universities are highly skilled and able to both compete and to collaborate.

Professor GLOVER: I was just going to make the point, in terms of the Charles Sturt submission and concerns around the competitive element, I think it is very, very important that we acknowledge how critical student choice is in terms of their university and that we do not try to artificially constrain that choice. One of the challenges of Greater Sydney—when you look at the flows of students to universities, they flow along transport networks and it is based on student choice, course offerings and perceptions of the institution that they are interested in studying with and their own career paths. We would not want to see that curtailed. As my colleagues have said, competition is fundamentally a good thing in driving our institutions to even greater levels of quality and support for our students in western Sydney. We welcome the competition and we also acknowledge the importance of student choice.

The Hon. COURTNEY HOUSSOS: Thank you, all professors, for your time this afternoon. Specifically around the question of international students, when is your modelling planning on them returning and are you expecting them to return at the same numbers that occurred previously? What exposure has your university seen in terms of students taking up the online options? I think Professor Farrell said that almost all universities have now transitioned online. Obviously the economic benefit for the State of New South Wales occurs when these students actually come to the State of New South Wales, not just when they are learning online. We are concerned about getting them back here. Is your university projecting that they will return in the same pre-COVID numbers or are we going to be losing them to other markets like the UK or the US that are actively courting these students?

Professor SKRBIS: I am happy to say that we are all in this together. All universities are impacted by the current predicament. At ACU our exposure to the international market is somewhat lower than our colleagues here at the table. Only 14 per cent of our student body is international. I can say that we have debated our proportions of domestic versus international students quite extensively over a number of years and we always wanted to ensure that if something happens in the international market we are as well placed as possible to somehow cope well with the changes in the market.

Having said that, no-one is immune; we are not immune, either. We have been able to move our international and domestic students online in a very short period of time like our fellow institutions. Having said that, only 44 international students are currently studying offshore—a relatively small exposure. We have done a series of modelling. I can say that we are not expecting to see a full recovery any time soon. Again, our modelling has shifted over the last few months from slightly more optimistic to less optimistic versions. Finally, I would say that this is a bit of a wake-up call for all of us. The way in which the international market and the dependencies that it has created is impacting us now is something that we need to look at very carefully and learn from as well.

Professor FARRELL: Similarly, we obviously have modelling and there are lots of different models we are looking at, but broadly speaking we are expecting—if you look at the impact of this on us, there is a pipeline effect. Because a student not turning up this year means we have a three-year impact of that, we are seeing revenue decline bottoming out in 2023. Our revenue does not begin to pick up again until 2024. It is down into 2023 and then it slowly begins to pick up; that is our current assumption. I think we have to recognise the world can change quite quickly and that will obviously impact. Student return could come back faster than that.

I think the key point here is that the future of the university sector is there is going to be a lot more online learning—just a lot—but a lot of it will be on campus and be blended and mixed and hybrid. Broadly speaking—this is just a kind of broad generalisation—undergraduates highly value the campus experience. It enables them to build social capital, the skills for building social capital and networks for life. I do not see the campus experience being replaced through a wholly online experience in the future, even though we will be more used to online materials in our courses going forward.

The other thing with international students is many of them are seeking to come to places like the United States, the United Kingdom and Australia because they want to learn, in our case, alongside Australian students and students of other nationalities—increasingly, students who speak English. They are coming for that holistic experience. Once the international travel is fully facilitated we would expect to see students return in not dissimilar numbers to previously. The question would be what might happen in foreign markets between now and then and how that might impact in terms of foreign markets grabbing market share. For instance, in the UK there has been a change to student visa rules that improves post-study work rights for students. That could have an impact, because that could see the UK take some of our market.

Obviously it is crucially important that governments at all levels seek to preserve this very important—the fourth-largest export market in Australia—by making this a very welcoming place for overseas students to come to. We are fairly confident that the quality of Australian education and the quality of our campus experience is extremely high. We are very fortunate in that we have a very welcoming culture. Speaking as someone who arrived in Australia three years ago, Australians and Australia is incredibly welcoming to people from all cultures. We have got a beautiful environment. Frankly, those are not all inconsiderable. I think our product is excellent. We just need to make sure that government facilitates as a whole a welcoming place for foreign students.

Professor GLOVER: I think it is a very good question. At the moment we are all doing detailed modelling, trying to get a sense of when we might see numbers return. We share the view of colleagues at Western Sydney University that we will not return, on our modelling, to 2019 levels in terms of international student numbers until at least 2024. We are in several years of both downturn, which will extend into next year, before we begin to see recovery. International travel is a critical part of that. I think the UK certainly seems to be ramping up its efforts to open safe corridors around the world for their universities. That is getting a lot of media attention in the United Kingdom; obviously less so, for a whole range of reasons, with the United States. I see Canada has been operating very appropriately but aggressively in the market for some time in relation to international student recruitment. I think we will see that continue.

New Zealand and Australia are very fortunate. We are being seen as very secure and safe, certainly from the COVID response perspective, which I think is important to parents when they are thinking about where their students might be studying in the future. We are predicting a significant downturn in 2021, with possibly some recovery late next year as we begin to see international travel open again; again on the increase in 2022 and into 2023, but it will be 2024 before we get back to 2019 levels. We have a very high quality system, as my colleague from Wollongong was saying. We are very confident about overseas demand for international education not just in East Asia but importantly in South Asia and South-East Asia over the next decade and beyond. We are confident the Australian system can recover.

At the Western Sydney University, a little like the Australian Catholic University, only about 16 per cent of our student load is international. It is relatively modest in percentage terms compared to the sector, which runs at 28 per cent to 30 per cent on average, depending on the institution, so there is less dependency in any particular part of the world in terms of our recruitment strategy. Managing that challenge over the next few years is going to be difficult, but we are confident about the future. Certainly if we cannot get safe corridor trials operating late this year then that will make for more concern on the part of the community about opening up international travel for international students too soon. We might need to see that very much as something for semester one next year, if possible, leading to more regular travel in semester two. But it does very much depend on COVID around the world. The health and wellbeing of our students is the crucial part.

The Hon. SCOTT FARLOW: Thank you all for being here—and being here virtually, Professor Glover, as well. Professor Skrbis, you outlined that 15 per cent was the international student—

Professor SKRBIS: Fourteen.

The Hon. SCOTT FARLOW: Fourteen per cent, was it? Sorry—international student load at the ACU. And, Professor Glover—16 per cent. What is it at University of Wollongong, Professor Farrell?

Professor FARRELL: It is in the high 30s. Basically we have 36,000 students. We have 8,000 onshore international. But, crucially, we have 7,500 offshore international. It is complicated because our level of exposure is obviously the 8,000 onshore international, as opposed to the 7,500 that are offshore.

The Hon. SCOTT FARLOW: As part of that high 30s per cent, that includes both the 8,000 and the 7,000?

Professor FARRELL: Yes, correct.

The Hon. SCOTT FARLOW: And so, in terms of the offshore, is that at international campuses?

Professor FARRELL: Yes.

The Hon. SCOTT FARLOW: You still maintain one—is it Dubai?

Professor FARRELL: Yes, There is Dubai. In fact, we have a few campuses in Malaysia. There is one in Dubai and there is one in Hong Kong. Obviously those operations are continuing. But, for instance, in the case of Hong Kong those students are being taught a combination of remotely and on campus because, of course, many of these countries have their own public health situations. In Hong Kong, interestingly enough, we had experience of the challenges of dealing with the COVID pandemic fairly early because China was hit before other countries. That, in a sense, gave us some forewarning of some of the challenges we would face, so we were able to benefit from that.

The Hon. SCOTT FARLOW: I find your model very interesting in this sense and what we are looking at going forward, in terms of how we can still service international students but also do so in COVID-safe way and with travel restrictions. In terms of your international delivery model, why is it that students would seek out to undertake a degree at the University of Wollongong based in Dubai or Hong Kong or any of your other international campuses?

Professor FARRELL: Obviously we would not be alone as a university based in one country but having campuses in another country; there are plenty of universities that do that. The critical thing is the brand of the university. As you know, Wollongong is one of the leading universities in Australia for the quality of its learning and teaching. That is very well established, so we have a very strong brand. We have been established in Dubai for quite some time, so we have a strong brand in Dubai. In each jurisdiction there are particular circumstances as to why students might choose to study with us. In the case of Hong Kong, for instance, students—when they come out of a college set-up they have a limited number of public institutions that they can go to because there are not sufficient places in public institutions for students. Hence, our university is an attractive option for students as a consequence of that. So, there are different reasons in different jurisdictions.

The Hon. SCOTT FARLOW: In terms of those campuses externally and internationally, are they campuses that are combined with any other institution or are they solely for University of Wollongong students?

Professor FARRELL: I may have to take this on notice because in the case of our campuses in Malaysia there are particular arrangements which, I am afraid, just off the top of my head I do not know. In the case of Dubai that is a wholly UOW campus and entity—likewise in the case of Hong Kong. For a while it was a partnership but it is now a wholly UOW entity.

The Hon. SCOTT FARLOW: And in terms of your operations now with COVID, are you seeing more students transferring to these domestic institutions? If you have got, for instance, a student who may have been coming to or intending to come to the University of Wollongong out of Hong Kong or other parts of China, are they now transferring to that Hong Kong campus?

Professor FARRELL: Again, that is a very precise question. It is a very good question, actually, and it is a very precise question, so I may have to take that on notice and come back to you with an answer. I am very happy to do so. I do not know if "transferring" is the correct word. Certainly we could look at whether they were transferred off a course that they were due to come to Hong Kong with us here and instead of transferring into that—a related question which you may be interested in is also whether we are seeing an increase in numbers in those, and whether one could infer, as a consequence of that, that some of those may have been students that would come to us. If I may, I will take that on notice and come back to you with some data.

The Hon. SCOTT FARLOW: I would be very interested to hear that. The entire premise of this inquiry is the future of tertiary education in New South Wales, particularly with COVID. It will be interesting to see, in terms of that model, whether that provides us some lessons for how we can potentially adapt our universities to

be able to seek international students and be able to service them and not just have the remote online service delivery model.

Professor FARRELL: Yes. I think the important thing to realise—and this is where I would echo a view that was made previously. Students choose their own paths to universities, which courses they take and what universities they go to. I believe Professor Glover was making this point. It is not something that you can artificially direct through policy. In this sense, competition providing opportunities for students is critically important. There are obviously particular reasons why some students would choose to study in an overseas campus. But, of course, for the great body of students who come to Australia—400,000 overseas students came and studied in Australia last year—they are looking for a study experience in Australia. Any kind of proposition that you could somehow offshore and teach 400,000 students instead of here—I do not know if there is a lot of mileage in that. Those students, if they did not have the opportunity here, would probably go to the United Kingdom, the United States or Canada instead.

Professor GLOVER: Can I just add a comment in relation to that? My apologies—it is just a very brief comment.

The Hon. SCOTT FARLOW: Sure, Professor Glover.

Professor GLOVER: Sorry to interrupt. It is hard from the online context.

The Hon. SCOTT FARLOW: I appreciate the challenges.

Professor GLOVER: It is a very good question about new models of international education that might emerge post-COVID or perhaps be strengthened post-COVID. I welcome the question; if we had more time, we could explore it. There are two elements that I think we will see more of. A number of universities, particularly UK universities, have found their offshore campuses—I am sure this is true for Wollongong and others, as it is for us with our Vietnam campus—have been a very valuable way, in a sense, of mitigating some of the risks of the pandemic. So, you have a hub—in this case in a part of Asia, for example—where students can begin their studies in a supported environment, at least in that local context, if those campuses are open during the pandemic.

We are finding, increasingly, interest in campus-in-campus models of international education. So, it is not that you have a standalone campus; you are in partnership. That is our model, for example, in Ho Chi Minh City with the University of Economics in Ho Chi Minh City. The other thing that I think is emerging is this hybrid model of international education where students may spend more of their time overseas with a university partner studying, but using access to Australian online education to complement, supplement and enhance the educational experience. I think that model, which has been discussed in recent years, might get more currency in the next few years as people start to explore new ways of—if you like, the next generation of international education that Australia will lead.

The Hon. SCOTT FARLOW: Thank you, Professor Glover. Professor Skrbis, did you want to make any comment on that at all?

Professor SKRBIS: We do have a campus in Rome. However, we use it for mobility experience and courses for our own Australian students. We also do short courses and executive education courses in Rome. I do think Professor Glover is spot on. I think we will see a diversification of approaches to international education. How that is going to look like we do not know, but what is likely to happen is—the importance of hubs locally in the region, for example. That is going to become quite a pivotal aspect of international education. If I may just make one broad comment—that is, when we think about international education we often think about revenue and it is quite appropriate that we think about that. However, there is just so much more that our exposure to the international student market provides us with—social contacts, cultural literacy and so on. That is really quite priceless. As a former international student myself I would say that those aspects of international student experience are absolutely critical for us to consider for the benefit of our own students—domestic students—as well.

The Hon. SCOTT FARLOW: Thank you very much. I just wanted to pick up on that point that you made there, in terms of—we think of international students as money, effectively.

Mr DAVID SHOEBRIDGE: Some of us.

The Hon. SCOTT FARLOW: Some of us. Just that point, in terms of the education sector—it was part of the evidence that was presented this morning by the Group of Eight universities that were here. Effectively the international student fees offset what they claim to be domestic losses when it came to educating domestic students. Is that your experience? I know particularly ACU with 14 per cent and Western Sydney University with 16 per cent of foreign students—I would not imagine there would be so much offsetting from the international student revenue to offset any losses on domestic education.

Professor SKRBIS: No, I would not see it in that black-and-white kind of way anyway. I think there are lots of co-dependencies and there is cross-pollination that occurs internally in the way in which we move money around to provide a good educational value proposition for our students so I certainly do not see it in those black-and-white colours. The revenue aspect is not unimportant—I do not play it down—but it is not the only aspect of international education that I think is important in all of this.

The Hon. SCOTT FARLOW: On that premise as well, would it be correct to say that you are able to make a profit out of educating domestic students alone?

Professor SKRBIS: I think there are multiple sources of revenue generation that all universities, including ours, engage in. We are very mindful of the margin that we create because we want to make sure that we enable the delivery of our mission.

Mr DAVID SHOEBRIDGE: "Mindful of the margin to enable the delivery of your mission"—I am sorry, I did not understand what that meant.

Professor SKRBIS: It basically meant that we, as a values-based institution, want to make sure that we remain in business, that we have the appropriate level of positive impact on the communities that we intersect with. For that, prudent, sensible management of our business—if I may use this word—is really quite critical. So we clearly utilise Commonwealth funding, full-fee-paying funds as well as international student revenue in equal measure to ensure that we are able to continue to deliver on our key objective and that is to provide a high-quality educational experience to the students.

The Hon. SCOTT FARLOW: Both the ACU submission and the Western Sydney University submission pretty clearly and in near identical terms say that foreign political interference within the tertiary education sector is an issue of concern to the sector. I want to ask both Professor Skrbis and Professor Glover whether there are any specific examples of that that you have found within your institutions and also to ask Professor Farrell, particularly considering the international footprint of the University of Wollongong, how you manage those risks?

Professor SKRBIS: We have been subject to one phishing attack that had a fairly limited negative impact on our systems. But I think it is important to acknowledge that we need to be alert but not alarmed in this regard.

The Hon. SCOTT FARLOW: Professor Glover?

Professor GLOVER: Thank you for the question. Certainly within Western Sydney University I have not been made aware by the security agencies. As you, I am sure, would appreciate, from time to time we do get briefings from representatives of ASIO in relation to matters of national security. They tend to be very broad briefings about the potential threats from foreign interference and foreign influence over the Australian universities. The Federal Minister instituted a review and we have foreign interference guidelines now, which were negotiated between the defence security agencies, the Commonwealth and universities, which we are now implementing to ensure that we are—I hope—as effectively as possible managing those matters and in an educative way often for our staff, so our researchers are aware of matters that may constitute matters of concern.

But no matter has been brought to my attention by those security agencies about matters of foreign influence at Western Sydney University, so I am pleased about that. But it is a matter—and cybersecurity is one element of it but there are many others: intellectual property management, research collaboration and so on. So we need to be vigilant, as I think my colleague said a moment ago, and that is really the focus although we should not for a moment assume these are not matters of significance to the Commonwealth and more broadly in Australia in the community. We need to do that as universities with very substantial international reach.

One of the success stories of the Australian higher education system over the last 30 years has been the development of very strong collaboration—people-to-people collaboration, institution-to-institution collaboration—right through our region in particular. We need to build and develop off that. The benefits are huge. You can go back to the Colombo plan as one example of the nobility argument being so powerful in terms of diplomacy in our region. So from that perspective we need to be very conscious of these matters and I think to draw them to the attention of the inquiry was appropriate.

The Hon. SCOTT FARLOW: Professor Farrell, with respect to your campuses operating in a number of jurisdictions, how do you manage those risks externally?

Professor FARRELL: Well, obviously there is the University Foreign Interference Taskforce [UFIT] guidelines issued by the Federal Government last November. Those provide universities with the mechanisms, processes and so forth to mitigate the risks of foreign interference. I served on one of the working groups that produced the UFIT guidelines. If you wanted a good demonstration of how the sector remains alert to those issues

and concerns about them, it was a very collaborative process. It was a true collaboration between the relevant agencies of the Commonwealth and the university sector in producing the guidelines.

Interestingly enough, those were precisely around getting the correct balance between obviously protecting Australian national security but facilitating the global movement of people and ideas, which is fundamental to university enterprise and brings direct benefits—very large indirect and direct benefits—to the Australian economy and Australian society. So the guidelines were all about getting that balance right, actually. In terms of how they were received by the sector and have been implemented by universities, it is quite clear the view of the sector is that the balance was struck correctly. In our case obviously they have been discussed several times at the senior executive group of the university. At no point in any of those discussions was any issue brought to the attention of the executive group with respect to matters in our overseas campuses that might have constituted a risk under those guidelines. We simply follow and implement those guidelines very carefully and thereby mitigate those risks.

The Hon. SCOTT FARLOW: Professor Farrell, do your academics operating overseas have the same protections of academic freedom as they would on a domestic campus at the University of Wollongong?

Professor FARRELL: Broadly speaking, yes, they do, because obviously all of our staff are subject to our code of conduct and subject to the code of behaviour that we expect of all of ourselves. So broadly speaking, yes, that is correct. But obviously in certain countries there are particular cultural and legal contexts and at the same time all people who abide in those countries are subject to those jurisdictions. So it is merely a matter of obviously we do not have any policies that we would have in place that would override the legal situation in foreign jurisdictions. We just obviously get that balance correct as best we can.

Mr DAVID SHOEBRIDGE: Thank you all for your attendance today. I asked a series of questions of the three institutions we heard from earlier today about rates of permanent, fixed term and casual staff, including just raw numbers and also full-time equivalents. I might just ask if each of you have that data to hand and, if you do not, if you could provide it on notice, starting with you, Professor Skrbis.

Professor SKRBIS: Thank you so very much. I do have full-time equivalent data. Unfortunately I do not have head count data but I am happy to take this on notice and provide that following the meeting. In terms of our staff numbers we have 2,477 full-time equivalent staff, of which 571 are casual.

Mr DAVID SHOEBRIDGE: And that is full-time equivalent?

Professor SKRBIS: Correct.

Mr DAVID SHOEBRIDGE: Thanks, Professor. Professor Farrell?

Professor FARRELL: I have the base numbers. I am afraid I am going to have to take that on notice to get you precise—

Mr DAVID SHOEBRIDGE: If you are still having a look, I will go to Professor Glover and then come back to you.

Professor FARRELL: Go for it.

Mr DAVID SHOEBRIDGE: Professor Glover?

Professor GLOVER: Thank you Mr Shoebridge. I have the data. I can give you high levels. The FTE count to start with and then perhaps provided to the inquiry immediately after the meeting for the detail. The FTE count for our continuing staff, is about 2,100. This is as at 30 June. This is snapshot data just for the purposes of providing you with the information. At the fixed term level we have just on 600 FTE of fixed term staff and headcount of about 678 and then with casuals, as at 30 June, 1,376 headcount academic and about 616 professional staff headcount as at 30 June and then all the breakdowns are on this one page and I am happy to provide that to the inquiry.

Mr DAVID SHOEBRIDGE: If you could email that through I would appreciate it.

Professor GLOVER: I will do it straightaway.

Professor FARRELL: Total staff FTE in 2019 is 2,351. That is headcount 2,592 and, in addition to that, total FTE for casual staff, I do not have headcount for casual, is 498.

Mr DAVID SHOEBRIDGE: Can you provide that detail on notice?

Professor FARRELL: Of course.

Mr DAVID SHOEBRIDGE: As you would all know, there is a State provision in Victoria where these workforce makeup details for each of the universities are provided to the State Government on the assumption that it covered the full gamut of information—permanent, fixed term, casual and then both numbers and full-time equivalent—so you have the full picture. Would any of you have any objection or would you support, a requirement to provide that kind of information annually to the New South Wales Government/Parliament?

Professor GLOVER: I would be very happy to. We follow the requirements of the Auditor-General in all of the data we provide. I am surprised it is not there. I have not looked but I think to have it included would be sensible and appropriate and we would have no objection to it.

Mr DAVID SHOEBRIDGE: To answer that, there is some data provided on a periodic basis to a Federal agency which does not contain that level of breakdown and I do not think there are any mandated provisions in annual reports so more often than not it is not there.

Professor GLOVER: I would be happy to. If there was a recommendation from this inquiry we would be happy to support it.

Professor FARRELL: If you do not mind, I will take that on notice for fairly obvious reasons, because I am not the vice-chancellor. However, I was just trying to get online to look at our annual report because we tend to have a lot of this detail in our annual report. So I would be surprised if it is not already in our annual report.

Mr DAVID SHOEBRIDGE: The breakdown between fixed term and casual in staff numbers and headcount, I do not believe it is there, professor, but it may be.

Professor FARRELL: Unfortunately, I cannot get online.

Mr DAVID SHOEBRIDGE: Welcome to our world. Professor Skrbis, your university, not being established under a State statute, it may be by way of collaboration. What is your position?

Professor SKRBIS: We are a multijurisdictional university. We operate in Victoria and we already report these figures, I understand, to the Victorian Government. I see no issues or reasons why this cannot be shared with the New South Wales Government providing the information collected is done in a transparent fashion that—

Mr DAVID SHOEBRIDGE: Gives a full picture.

Professor SKRBIS: — allows a full picture to emerge.

Mr DAVID SHOEBRIDGE: All of you have said, to one extent or another, you are facing a significant financial crunch and we understand why. Would it be true to say that the bulk of any staff losses in that regard are felt amongst the casual staff, that is the first place that inevitably any organisation looks to reduce headcount?

Professor GLOVER: I had an all-staff webinar at the university last week and we discussed this particular issue. I do them regularly, as I am sure my colleagues do them, and I put up the casual data at the moment for us. In other words, our budget for this year, our projected spend, which will exceed budget this year, and we are projecting to increase that in 2021. From our perspective we do not see any diminishing at the moment of our commitment to support our casual academic staff. Although there has been pressure on budgets overall, and that means everyone needs to look for ways to reduce expenditure at Western Sydney, that has not fallen disproportionately or in any significant way on our casual staff.

It has become a little more complex as early on in the pandemic we committed to ensuring we met all of the commitments we made to casual staff notwithstanding the pandemic, even if they were not able to teach or needed to have time release for pandemic related carer or personal testing positive reasons. That meant, of course, the first semester was more challenging and we have been addressing our casual staffing commitment in the second semester. I do not think there is a one size fits all response to that. I think there are examples where we are holding support in other institutions. Depending on the scale of the problem they may have contracted, but I would imagine it is proportionate to an overall decrease.

Professor FARRELL: If you think about why do we hire casual academic staff. Well, we are looking for two things for the most part. With large subjects we are looking for additional teaching staff to service subjects that have large student enrolments and then we also will hire casual academic staff because they bring very particular expertise and that tends to be to support specialist subjects. One of the ways that we have been, when you think about the impact of what we are experiencing now, we have seen basically a reduction in student load— that is just the fact of it. In consequence, we have less need for casual academic staff because we have, proportionately speaking, fewer students on our courses. Part of the way that we have been trying to respond responsibly to the financial crisis that we face is through looking closely at what subjects we should be putting on and that has led us to suspend or discontinue some of the more specialist bespoke subjects. It is a subject

rationalisation basically. Many universities have been doing this around the world. The consequence of both those things has led us to obviously have less demand for casual staff. It is regrettable and also not surprising at all.

Professor SKRBIS: I would make two observations. One is that the numbers of casual academic staff are expanding and contracting based on the size and scale of our student body. Secondly, we have been in a very fortunate position that we did not have to consider any cuts in 2020 and we have no plans at this point in time to undertake those.

Mr DAVID SHOEBRIDGE: This panel shows diversity across the sector. One of the responses we have seen in some universities has been to see senior management offer to take a haircut on wages, particularly vice- chancellors, and you would have seen that at UNSW, UTS and University of Sydney. I am going to ask each of the three of you, what has been the approach in terms of senior management salaries and, in particular, vice-chancellor salaries, which many of you would be aware of are often critiqued for the disparity between those salaries and academic staff? That is a long question.

Professor SKRBIS: I am not the president of the Australian Catholic University, so I cannot speak on behalf of our vice-chancellor. Having said that, no staff has currently been impacted negatively.

Mr DAVID SHOEBRIDGE: In terms of actual salary or any reduction, I am more than happy for you to take that on notice for the president.

Professor SKRBIS: Sure, but I can answer the question that there have been no cuts to salaries at the senior or other levels across the board.

Professor FARRELL: So some months back our vice-chancellor and our entire executive group took a 20 per cent pay cut for 12 months. As I noted in my opening statement we have just agreed with the National Tertiary Education Union [NTEU] and other stakeholders to a set of measures that will bring us back into financial sustainability and that includes variations on enterprise agreements. As part of that agreement the senior executive have undertaken to take further extended salary reductions. The shape of that, what it looks like, is currently being developed. That is basically where we are.

Mr DAVID SHOEBRIDGE: The precise figure of the vice-chancellor's current salary, can you provide that on notice?

Professor FARRELL: If you just send through a request then I will see.

Mr DAVID SHOEBRIDGE: It has just been made, so you can say, "I will take it on notice", and it will come in due course.

Professor FARRELL: Yes. What exactly?

Mr DAVID SHOEBRIDGE: The vice-chancellor's current salary after the 20 per cent cut.

Professor FARRELL: Yes, of course.

Mr DAVID SHOEBRIDGE: Professor Glover?

Professor GLOVER: Yes, I took a 20 per cent salary cut right at the beginning of the crisis. My contribution was to support initially the student assistance fund, which we were setting up. I imagine other vice-chancellors have done similar things. That lasts initially for 12 months. My salary is in the public domain, as you know Mr Shoebridge, so it is in the Auditor-General's report as all vice-chancellors' salaries are. The senior executive and the extended senior leadership team have taken between 10 and 15 per cent salary reductions across the board and that will continue into next year.

At this stage our staff have contributed to the university's financial position by taking banked additional leave; in other words, sacrificing a small amount of their salary in return for additional leave provisions over the next five years. We use that as the mechanism to provide additional cash flow to the university in 2020. We negotiated that with the NTEU and the Community and Public Sector Union and varied the agreements with the overwhelming support of our staff. I hope that is sufficient. If you need more detail on my salary I will happily provided to you on notice.

Mr DAVID SHOEBRIDGE: Thanks to each of you. One of the responses to the COVID-19 pandemic has been to move to online exams. I think at least two of the three institutions here have moved to having ProctorU oversight the exams. There are very real exams about privacy, about data breaches and about the very intrusive nature of ProctorU when it comes to exams for students. I suppose I will give each of you the opportunity to respond to those concerns. You would have seen the data breach and you would have known, for example, that ProctorU gets access to the camera and access to the computer of students doing exams.

The ACTING CHAIR: Mr Shoebridge, on that, you have five seconds left to run off your time. I note that we are very close to reaching time.

Mr DAVID SHOEBRIDGE: Could I get a quick response?

The ACTING CHAIR: A very brief response. If not, I will ask you to put the question on notice.

Professor GLOVER: Do you want me to begin as a [audio malfunction] of the two universities?

Mr DAVID SHOEBRIDGE: Yes, please.

Professor GLOVER: Thank you. Yes, we are aware of that information when it became available about ProctorU, but I think, to put it in context, we have been moving as much of our assessment away from examinations this year dramatically. I think most universities are doing that because of the difficulty of invigilated exams. But in some professional areas, invigilated exams remain very, very critical. So we have a small number of invigilated online exams. Yes, we use ProctorU. We have done a detailed due diligence in relation to the Australian operation of ProctorU, and safety and other concerns both through the contractual arrangements with ProctorU and through our own IT and data service area. We are confident that this can be managed and managed appropriately but we understand the concerns of some of our students and we are engaging with them through our academics and more broadly about those concerns. But, certainly, they are real and I acknowledge them.

Mr DAVID SHOEBRIDGE: And the ACU?

Professor SKRBIS: May I take this on notice? We have done due diligence. We are aware. My response would not be dissimilar to Professor Glover's.

Mr DAVID SHOEBRIDGE: Professor Farrell?

Professor FARRELL: We do not use them.

The Hon. MARK LATHAM: Thanks to the three professors. If I can come to Professor Glover and the WSU submission. I thought at page 11 in the fairly polite language you have sort of highlighted the great imbalance and unfairness in the higher education sector, which is that the Go8 universities have thrown caution to the wind over the years and cashed in on overseas student numbers to fund pretty substantial research empires whereas the other universities that have been more prudent have not had that opportunity.

Talking to some of those Go8 universities this morning they seem to think that if they can go back to the old arrangements, particularly with Chinese students, they will just go back to the future that way and there is no new talk about financial risk management. At page 10 the submission talks about the abolition of the Boosting Business Innovation [BBI] Program. Can you give us some detail about what that program was doing and why it is being wound up? On the more general point, Professor Glover, what role can a State Government play in evening the playing field in this research area where the Go8 universities with massive overseas student fees have had huge advantages compared to a university like WSU and other regional universities around the State?

Mr DAVID SHOEBRIDGE: I do not mean to disrupt my colleague's questioning but we have no specific evidence from any of those universities about Chinese students.

The ACTING CHAIR: Order!

Mr DAVID SHOEBRIDGE: Just for the record, it was put as an assumption and it was not the evidence.

The ACTING CHAIR: The Hon. Mark Latham is entitled to ask his question.

The Hon. MARK LATHAM: Can I not ask about Chinese students and the outlook?

The ACTING CHAIR: Order! I will allow the Hon. Mark Latham to ask the question. The witnesses will be able to provide their answer or take the question on notice as they see fit.

Professor GLOVER: Thank you, Mr Latham, for the question. If I take the second part first about the Boosting Business Innovation Program, we continue to work with the State Government in relation to that program and the opportunity to, I hope, see renewed investment in it. It has been used to support any further reference to accelerated and innovation programs that universities run by my colleagues. We run a very similar innovation program in western Sydney called Launch Pad, which is very much there are to bring our students and our researchers closest to startups and new ventures in western Sydney to boost those new startup ventures, enable them to progress more quickly, get access to expertise and hopefully to become employers of people in western Sydney. That is a very, very important contribution we are making to the SME sector and the startup sector in western Sydney.

That has been greatly supported by the BBI program in the west and we would like to see that program provide us with that resource into the future. I think the Government is considering it. I think it helps us. We have literally supported hundreds of startups in our base out of Werrington in Penrith. We now have a very active hub in both Parramatta and into Liverpool. It is something we see is an important part of expanding our presence across western Sydney and engaging with SMEs and boosting employment opportunities, given that there is the best part of a couple of hundred thousand of SMEs in western Sydney. If we can boost job creation there by just a small amount it will do a great deal to help people keep working in the west and not have to travel east every day.

In terms of dependency on international students and the subsequent impact of that I think the pandemic has demonstrated, and I think that many of the universities have commented on the fact, that we are going to go through a period of contraction in our research effort nationally because of this. I know there are discussions directly with the Commonwealth to look for ways in which the Commonwealth can intervene to ensure the integrity of Australia's research capacity and capability is maintained as we work through the difficult two or three years ahead; otherwise, I think we will have a significant problem in this country.

We are very fortunate as a university: We do not have high dependency on international students and that is fortunate in a circumstance such as this, but equally we have some great areas of research right across the disciplines of the university. We are looking forward to continuing to support them as much as we can in a more constrained environment into the future. But the general point that international student revenues have been supporting Australia's sovereign research capability, if you like, is without question. Any diminishing of that resource will be impact on our research effort in this country. That is to the detriment of the economy and recovery.

The Hon. MARK LATHAM: Right. A point that the Go8 universities made this morning was about precinct or locational cluster R and D efforts at these precincts. They thought they were the best way to go. Is that something that three professors here endorse? I ask because it opens up a State Government role in planning and development approvals, infrastructure, funding research if it can be mustered for the precinct or locational cluster approach. I suppose for WSU that is the aerotropolis, but what would Wollongong and the Catholic universities think?

Professor GLOVER: Could I jump in to continue for one moment? I agree with you on this. I think the State Government is appreciating precincts as a strategy are vital. The aerotropolis is one of them and the Liverpool Innovation Precinct is another one. The Campbelltown Health and Education Precinct, which is close to your own interest I think, Mr Latham, is another very important one. What we are doing in Hawkesbury, Werrington and again in Parramatta, and the potential at Sydney Olympic Park at Homebush—these precincts are vitally important. They bring people together and they encourage cooperation, collaboration and co-location, which is crucial to recovery. They need to be coupled with infrastructure stimulus funding. The point I would make is one of the roles the State Government could play, and I know it is considering a $3 billion stimulus package at the moment, but to see that directed to precincts and to support shovel-ready—if I could call them that—projects to boost our economy, because the direct job creation is vital in the west, but equally to build world-class capability both for education and research. I thoroughly support the precinct model.

Professor FARRELL: If I may say, Professor Glover said it absolutely correct. Wollongong would have a very similar view. Of course, for that reason, within the new alliance in Western Sydney University, we are in collaboration out in the aerotropolis, which would be a very important innovation precinct. Likewise, we have the Liverpool Innovation Precinct. The virtue of precincts is precisely that they create an ecosystem where you have research translation, education, entrepreneurship and innovation all occurring in a concentrated area. That is what is going to drive very significant development of the innovation economy, which is going to be critical to the future business recovery and economic recovery in New South Wales. It is a no-brainer, if ever there was one, to direct infrastructure investment into innovation precincts.

Professor SKRBIS: I would just like to echo that. I like the notion of an ecosystem. Precincts bring together research, education and industry. They become vectors for partnerships. We are very strongly in favour of that.

The Hon. MARK LATHAM: Is it harder to achieve this model in regional areas? Some of the evidence this afternoon from University of New England [UNE] and Charles Sturt might indicate that, say there are eight things you need to bring together in a cluster, in a regional town you might have three or four. It is a lot harder to bring the elements together. Do you see the precinct model as something for suburban-type initiatives that we find in Sydney, or can it be translated and effective in regional and rural areas of New South Wales?

Professor FARRELL: That is a great question. That would be very relevant to the University of Wollongong. We have an Innovation Campus where iAccelerate is located. As you have seen in our written submission, over 190 businesses have benefited from support, training and mentoring through iAccelerate. We

currently have 16 businesses in residence. The critical thing is that it gives us a hub. In the Bega Valley we have an innovation hub. In a city like Wollongong you can very much have an innovation hub, which we do in our Innovation Campus, and you can extend beyond into regional areas further support to business development and entrepreneurship. Crucially, we are now going to have co-located in our Innovation Campus a $500 million health precinct, which will be a major driver of research, education, translational research, entrepreneurship and business development in health care. It is not just a city thing; it is very much something that you could extend into regional settings, which is what we do in Wollongong.

Professor GLOVER: I will add two key points. One is that infrastructure is a great lever for precinct development. My colleague at Wollongong has just made that point very strongly. Of course, the investment in health infrastructure, wherever it is going to occur, in my view should be linked to an innovation precinct concept. I agree that there may be more challenges in regional New South Wales, but I think the Innovation and Productivity Council here in New South Wales, of which I am a member, has done quite a bit of work on that. There are real possibilities and strengths in regional New South Wales. Newcastle and Wollongong are obvious, but certainly around Armidale and Wagga and elsewhere there are great opportunities for precinct development. With a focus, with the right elements and with the right level of support, they could be very successful.

The Hon. MARK LATHAM: Finally, to Professor Glover, on page 21 of the submission is the *Whistleblowing Policy*, which sounds very important. Are you recommending that it would be good to broaden the coverage of the New South Wales Public Interest Disclosures Act to provide these protections for students as well as university officers or employees? Can you give a specific example? In the media there is Drew Pavlou over in Brisbane, but has your university had examples where the policy has been useful in allowing students to speak up about problems?

Professor GLOVER: The point we were making here, and thank you for drawing attention to it, was that we have recognised the importance of whistleblowing legislation that operates in New South Wales, and making sure that we have mirrored that at the university level with the enabling procedures. Staff and students can feel confident that, if a situation arises where they wish to bring to the attention of the university or an external agency a matter that would be a public interest disclosure [PID], they have all the support and assistance required under the Act, and university procedures reflect that. The point we would make is we are not aware of it being in this format elsewhere. It may be something that other universities, by virtue of drawing it to their attention, should take account of. I cannot recall a particular PID from our students, Mr Latham, but I know that we have had public interest disclosures, as all universities would have. We make sure that they are referred to the appropriate agencies and investigated appropriately.

The ACTING CHAIR: I will call this session to a close. Thank you all for attending the hearing today. The Committee has resolved that answers to questions on notice will be returned within 21 days. The secretariat will be in contact with you in relation to questions that you have taken on notice.

(The witnesses withdrew.)

(Short adjournment)

JOHN GERMOV, Acting Vice-Chancellor, Charles Sturt University, affirmed and examined

JANELLE WHEAT, Acting Deputy Vice-Chancellor and Provost, Charles Sturt University, before the Committee via videoconference, affirmed and examined

BRIGID HEYWOOD, Vice-Chancellor & CEO, University of New England, before the Committee via videoconference, affirmed and examined

KRIS KAUFFMANN, Senior Executive Strategic Advisor, University of New England, before the Committee via videoconference, affirmed and examined

The ACTING CHAIR: I will open the final session for today. I welcome our next witnesses. I invite you all to start by making a short opening statement. If you could please keep it to no more than a couple of minutes, it would be much appreciated.

Professor GERMOV: I would like to advise the Committee that we intend to table an opening statement in order to keep my remarks brief. I would like to start by acknowledging the traditional custodians of the lands on which we meet and pay respect to Elders past, present and emerging. On behalf of Charles Sturt University, I welcome this opportunity to respond to the Committee's questions and provide information about Charles Sturt and sector issues. Governments, communities, businesses and universities are understandably focused on immediate challenges at the moment, but we do need to look to the future, especially given the vital role that universities play in supporting the State and particularly regional areas to recover from the combined impacts of the drought, bushfires and a global pandemic. Charles Sturt is Australia's largest regional university with 40,000 students and over 2,000 full-time equivalent staff. We are a unique multi-campus institution spread almost across the centre of New South Wales, with campuses in Albury-Wodonga, Wagga Wagga, Bathurst, Orange, Dubbo and Port Macquarie as well as a number of other locations.

Like other regional universities, we are an anchor institution in our regional towns and cities. We are a major employer. We attract high-value service industries as well as being centres for social, cultural and sporting activities and events. Our impact extends beyond economic benefits or even meeting the regional workforce needs where we are located. For example, our community-accessible dental clinic at Charles Stuart in Albury, Bathurst, Dubbo, Orange and Wagga provide much-needed services to the public. Our sporting facilities are open to the public and host a wide range of events all year round. During the devastating bushfires, we provided accommodation for around 700 firefighters at Port Macquarie and made available land to hold cattle, horses, sheep and pets from bushfire-affected properties in Wagga. Without a doubt the greatest benefit that Charles Sturt and similar universities bring to the regional communities we service are our graduates. For Charles Sturt, that is around 9,500 annually produced graduates, including the highest number of Indigenous graduates compared to any other university in the country—something we are very proud of.

We have consistently outperformed many metropolitan universities on graduate employment and starting salaries, being among the highest in the country in this regard—a remarkable achievement given that something like 75 per cent of our graduates go on to work in regional areas. We have several initiatives underway that will support economic recovery in our region, such as expansion of our Port Macquarie campus and our AgriPark innovation hub at Wagga Wagga. In terms of recommendations for the Committee to consider, I would like to suggest that things such as co-location and regional university centres on regional university campuses would make good use of existing public infrastructure. Including universities in regional recovery task forces, special activation precincts and in general decision-making on regional development to drive economic recovery would be appreciated. Finally, I would like to suggest making use of our wonderful public infrastructure for events, conferences and professional development of New South Wales government staff who are located in the regions. I will leave my comments there, but both myself and my colleague Professor Wheat look forward to answering your questions.

The ACTING CHAIR: I will now invite representatives from the University of New England to make a short opening statement.

Professor HEYWOOD: Many of the key activities of regional universities have already been shared with you in Professor Germov's presentation, so I will try not to repeat them. We would also like to take the opportunity to make an additional written statement with respect to our opening remarks. The point that I would emphasise to the Committee is the requirement for New South Wales to have a better understanding of the pivot and anchor roles that regional universities play in their communities and the importance of that not only in the current economy but also in the reform and recover economy of the future of this country. We have heard a lot about the capacity of regional universities to offer educational opportunities to those who could not participate by other means. The University of New England draws two-thirds of its student body through distance and online

study. These are individuals seeking opportunities to change their life course, identify with new career opportunities and find new and different ways to make a contribution to the Australian economy. But they wish to do so whilst based in remote, rural and regional communities.

We host about 4,000 students aged between 17 and 24 on our Armidale campus who are drawn from remote and rural regions. They would have no other access to education whilst maintaining and retaining their contacts with their regional homes, the places where they want to pursue careers, and the places where they want to make contributions without the support of regional universities. Particularly over the last 18 months, the opportunity for them to continue to study whilst instructed physically from their co-association with the university has been well supported by the opportunity to participate in our study centres scattered across the whole of New South Wales and, if not our study centres, those provided by the community university centres. I think what is important to recognise is that regional universities not only provide anchor services. We have heard about sports facilities. We have heard about dental and medical care. We have heard also about the role the regional universities played during the bushfire crisis.

You would hear, for example, we hosted over 7,000 voluntary fire personnel over the course of the bushfire season. We accommodated some 3,000 over a two-month period during their stay in the State and we also provided additional respite care to individuals that were removed from their homes because of the threat of the fire. We provide sports facilities. We provide wellbeing for the community. We provide health care. With the onset of COVID-19, the university also launched Australia's first regional virtual hospital so that this community could be ready if COVID infection were indeed to be located here, because the other services would not have been able to respond. We now have the first fully launched pilot operating to support the community. We are also deeply involved in supporting the special activation precincts that are being developed across the State both by supporting workforce development and by being active for knowledge exchange as well as knowledge translation.

The University of New England has just currently announced, first of all, the expansion of its presence in Tamworth, where we will operate the UNE model through industry-embedded education centres scattered across the city. We will change the knowledge house to where knowledge is needed and not demand that people attend the knowledge house. Therefore, we retain the consistency of the model on which we were founded, which was to create education and deliver it where it is needed and not just where we happen to be located. The university would also recognise for this Committee the amazing contributions it has made to the Australian economy through successful cooperative research centres that were linked to the needs of community, the opportunity to be taken from increased productivity and the advantage to be gained in domestic and international markets by improving both the quality, the value and the productivity of the land, doing so in partnership with those who are producing and supporting land-based agriculture.

Finally, we would argue that in the New South Wales model it is deeply important that this Committee recognises that regional universities can make specific and distinct contributions to metropolitan-based precincts that are being proposed. For example, the aerotropolis in western Sydney will be some six to 10 years before it comes fully to fruition. Pilot-scaled facilities addressing logistics, airfreight transport, animal husbandry, provenance and food security could all be centred in the regions tomorrow to prepare New South Wales for the opportunity that the aerotropolis creates. The regions should be seen as partners in all of these projects rather than merely sightseers or agencies providing the workforce that will support these new developments. Thank you.

The ACTING CHAIR: Before I open up to questions, I will address a couple of points. Firstly, I was fortunate enough to spend some of Friday morning with Professor Germov and Professor Wheat at a CSU-Government announcement.

The Hon. SCOTT FARLOW: You got a shovel, didn't you?

The ACTING CHAIR: I did. I received an engraved shovel. I am assured that the shovel was a $5 shovel from Bunnings. It was a wonderful occasion for the Government and the CSU to partner at. The other point that I wanted to raise is that the Chair of this Committee, the Hon. Mark Latham, has passed on his apologies. He is unable to be here in person today because he is feeling unwell. He will not participate in this section of the hearing today.

The Hon. ANTHONY D'ADAM: I direct my first question to Professor Germov. The CSU submission was very useful. I wanted to address a point that you raised towards the end of the submission. You make the point in your opening statement about the campuses of CSU being anchor institutions in their communities. No doubt that is very true. However, you recommend that the obligation for CSU to maintain a certain number of campuses in particular locations should be removed. You can understand that, given the importance of those campuses to the communities in which they are located, there might be some reluctance around lifting that restriction. I put it to earlier witnesses why a similar imposition should not be placed on other universities. I ask you to respond and perhaps put the case as to why that restriction should be removed.

Professor GERMOV: Firstly, let me say outright that we are committed to our campuses, particularly those that are stipulated in our Act. Our position was that a certain amount of flexibility might be needed going into the future, as population trends and demographic changes may make some locations where campuses are currently prescribed to be operating less and less viable. The definition of a campus is prescribed to offer a range of support services for students and a certain amount of public infrastructure, all of which is perfectly understandable. We were hoping to make the case that some flexibility in this regard would not necessarily require a change in the Act but perhaps, through agreement from the Minister of the day, would facilitate a more agile response for ourselves and other universities.

The Hon. ANTHONY D'ADAM: Moving on from that particular point, there is obviously quite a bit of similarity between the offerings from UNE and Charles Sturt University. Both offerings have a regional focus and both are at the heart of your missions. It strikes me that the competitive context that you find yourselves in is perhaps not necessarily the best approach if we are trying to maximise the delivery of educational services to a wide range of geographical locations. Perhaps other witnesses would like to make a contribution to this question, but do you think that there is a need for greater coordination between regional universities? And, to go a bit further, is some form of consolidation perhaps something that could be considered? If not, why would we not consider some form of consolidation between regional universities if indeed their missions are very similar?

Professor GERMOV: I might start and then I am sure that Professor Heywood would be willing to contribute. There is a tension between competition and collaboration among universities, whether they are next-door neighbours or separated by significant geographic differences. In the case of UNE and ourselves, while we are broadly competitors—perhaps more so in the online market than in close geography—there is a healthy competition there. But the point that some commentators are making, including ourselves in our submission, is that in regional areas where there is co-location of two or more universities, it would make sense rather than competing in a small market for either collaboration or a carving out of slightly agreed-upon territory to cover so that competition does not undermine sustainability of either operation. It is something that is definitely worth considering and perhaps government could play a role there. It is a complex issue—managing that tension between collaboration and healthy competition.

The Hon. COURTNEY HOUSSOS: Just before Professor Heywood jumps in, how would that work in practice? What would that collaboration look like instead of competition? How would the Government enable that?

Professor GERMOV: It is something that we are currently dealing with. As you are aware, we are located in Albury-Wodonga. La Trobe University is on the Victorian side not too far away. We are currently working collaboratively as part of the regional deal that was recently announced there to see what form of collaboration we may be able to enter into. Nothing has been agreed as yet and the projects need to be supported, but an example would be collaborating particularly in combined research facilities where we have cognate areas and complementary strengths. There could also be collaboration in terms of pathways from TAFE through to university, in terms of diploma through to degree, where we may be able to collaborate by cooperatively offering a joint degree. For example, we are just about to launch our new joint program of medicine in Orange in partnership with Western Sydney University. There are models in the sector that could be used in particular circumstances that have been shown to work well.

The Hon. COURTNEY HOUSSOS: You said that in Orange you have got a medical degree in collaboration with WSU, but that is obviously in addition to the University of Sydney program that is also based in Orange.

Professor GERMOV: Yes, that is right. They have a rural presence there. From next year onwards—we are currently in our first intake in terms of accepting preferences—we are offering a full five-year program face to face in Orange. That is the difference in that case.

Professor HEYWOOD: It is a great question, because currently the easy solution is to merge and create larger entities. I would argue that regional universities have shown themselves to be extraordinarily successful at collaborative competition. First of all, we recognise that there are very specific requirements. Remote and rural students do not have the same needs as those living in large regional towns, or indeed as those living in metro domains. We navigate those different requirements by providing a layered, comprehensive offer. New South Wales would suffer if it did not keep the layering and study it more closely. When Charles Sturt moved into Port Macquarie, the University of New England moved out as a provider and reallocated its places somewhere else. That meant about an 11 per cent shift in load but it was done so in a collaborative manner. It gave us the opportunity to be responsive and to look at growing provision in other areas. That is quite normal across the higher education sector.

We run our joint medical school program with the University of Newcastle. It very comfortably works to create opportunities for students who wish to practise medicine in metro or highly populated areas, as much as it is also our responsibility to attract and educate students who want to study in remote, rural and regional environments. Indeed, increasingly it is our responsibility to make sure that we develop a workforce that recognises the demands of particular geographies and responds and addresses those. There is also an argument about the kind of research that we support, which is land-based agriculture. We need very large specialist facilities to ensure that the full spectrum of education and research can take place to benefit Australia. We do that and we partner with other universities to ensure that what we get is not duplication but collaborative reciprocity to increase the landscape of the research opportunities.

I would argue when digging down into the evidence that universities have already shown themselves to be very collaborative, highly adaptive and flexible. We are very conscious that what we should not be doing is competing just to provide duplication of provision in a particular location. Both the market and ourselves operate very carefully to manage the distribution of educational opportunity as effectively as we might without limiting the opportunities of any one particular student group. Charles Sturt online for example is a slightly different cohort than our distance and online students, the average age of whom is 30 plus. Our 17- to 24-year-olds need a different kind of support than Charles Sturt can necessarily make available in Port Macquarie, Orange or Bathurst et cetera. The market navigates quite successfully all on its own, and we of course take a strategic oversight of that in either the offering of specific programs or the co-development of programs so that the region is covered. I am not sure the effort that we put into the collaborative design of all of that is fully recognised.

The Hon. COURTNEY HOUSSOS: That is really informative, thank you. I would like to repeat the comments of my colleague Mr D'Adam and say the CSU submission was great; particularly its specific recommendations for us were really helpful. We as a Committee have had the opportunity to see a couple of the Country University Centres [CUCs] and I know Charles Sturt University has a relationship with them. CSU's submission specifically talks about hubs for face-to-face learning. Are these just CUCs or is this something else that you would envisage? I guess in answering it, could you explain how a CUC is different to a campus, a hub or a learning opportunity for kids in rural areas?

The ACTING CHAIR: Just to jump in on that, and not to take up your time, but I believe there was a release that came through this morning that UNE and CUCs are partnering. Is that correct? Perhaps it might be a good opportunity for you to expand on that partnership through that question. It was the Hon. Courtney Houssos's question, and she had asked CSU first, so I will allow them to finish. When UNE provides its response, maybe you could just address that as well.

Professor GERMOV: We have about 98 students accessing our courses through CUCs at the moment, with the highest number not surprisingly in the western Riverina. It is not near where we are based, so there are about 26 students there. They are undertaking a range of courses across a broad span from criminology, law, agriculture, accounting, social work, science, and computing and IT. The most popular is health. But these centres are sort of community-run in partnership with universities. For our part, they seem to be working quite well in terms of providing the support that particularly regional and remote students need and I think they have been a healthy addition to the tertiary landscape. Professor Heywood might have some more comment on that as well.

Professor HEYWOOD: We are deeply involved in the Country Universities Centre network that you have just spoken about. They are a very valuable addition for all of our distance students. Taree and Moree particularly, across the COVID situation and across bushfires, fulfilled an additional role of supporting students who would normally have been residential on our campus. We were able to move students who had chosen to be residential and campus-based back to their home environment but guarantee that they received appropriate support. The value of these centres, first of all, is that they provide a high-fidelity connectivity for the students. There is no disruption of the content or the provision of the course because of a failure of their own local services. All of these country universities are supported by the Australian Rural Education Centre link and they operate at very high technical capacity. That continuity and fidelity is important for all of the students located in remote and rural regions.

Quite often rural and remote students are living in environments where they rarely have a place for individual study so they find the opportunity to identify and locate periods of work where they attend the community study centre much preferable to their domestic environments. We have just completed a piece of work for the UNE students who participate through these study centres about the increase in their grades as a result of participating in the centre rather than being completely on their own. The studies have a very particular place in the education ecosystem. The announcement that was reported this morning is where we have joined—what we are trying to do at the moment is link our commitment to innovation and education enterprise and the opening of remote and rural incubators for entrepreneurship to the education facilities that are supported by the CUCs. We

are taking what we have done through the SMART Region Incubator and adding an additional dimension through our relationship with the CUCs.

Mr DAVID SHOEBRIDGE: Thank you all for your attendance. If nothing else, COVID-19 has assisted in this kind of interaction across the State and made it far easier for you to be heard. I think that is a good thing. Could I ask you about distance education. I would have thought with COVID-19 making face-to-face education so much more problematic that each of your universities would have probably seized upon this opportunity to highlight your skills and capacity in providing online education. Have you seen opportunities in this space with COVID-19? Have you been in a position to market yourselves as potentially globally leading providers of online education? Is that factoring into your business models?

Professor HEYWOOD: Thank you for the question. First of all, two-thirds of our students, about 23,000 students, routinely study fully online and distance with UNE. We support the majority of our remaining students who choose to study in hybrid mode. This means they blend residential, on-campus education with some online units. We promoted that both to the State and Federal Government about three weeks into the COVID situation. We have actively promoted and advertised the particular credentials we have as Australia's leading and oldest distance education provider, both to our colleagues across the university sector and to both Federal and State Government. We promoted the fact that we have the capacity to provide support in the transition of conventional classroom materials to an online provision.

That does require certain technical capabilities which very few universities hold. We also promoted the fact that we were already running online exams at scale. We moved up from about 2,500 online exams to over 12,000 in the first semester of the COVID lockdown. We also transitioned all of our out-of-country international students to online study within two weeks of the travel constraint being instigated. We already have quite a flexible and adaptive program of connection. We promoted that out across the State and the country. We have promoted that as a means of supporting our current international student body and we are opening other opportunities around transnational education. Those future opportunities will depend very much on the utility of our distance education portal, which we are about to invest about $10 million into upgrading.

Mr DAVID SHOEBRIDGE: I might come back to you on some specifics. Professor Germov?

Professor GERMOV: I might refer to my Provost and Deputy Vice-Chancellor Academic on this one, Professor Wheat.

Professor WHEAT: Charles Sturt had just over 12,000 online students in 2019 and we have been a leader in online education for a really long time. What we found was that the transition to online learning and moving our on-campus learning experiences and dealing with professional accreditation, workplace learning, the changes to assessments that needed to happen within a short period of time—probably around six weeks—our third-party providers and then the additional need for student support to ensure that the students are satisfied with their learning was a huge task despite our history. That is because even though we had something like 1,100 unique subjects in online and on-campus learning in the first semester this year, there were still 225 subjects that were to be delivered just purely on campus. The scope to pivot what I think would have been a whole-of-institution response was enormous and took a great deal of commitment from our staff. I think that we did it in an exceptionally well-organised and collegial collaborative manner. We had all of the divisions of the university working together to ensure that the students were and remained having a good experience with their learning session—in fact, we have seen with our student satisfaction scores that the satisfaction of our online students has significantly increased.

We are thrilled with that because it means that we do understand what a quality learning experience does mean online, that it is not simply taking a PowerPoint presentation and emailing it to students. This particular COVID response required all of the readings that were normally sent to our students to be put into an online repository, which is a huge undertaking. We ended up putting 45 per cent of our intensives and residential schools online, which, as you can imagine, took a great deal of resources to do. We have had to postpone some of our future on-campus learning just simply because we cannot do it online. We have had to liaise with many professional accrediting bodies and workplace learning. There were something like 1,400 placements cancelled that had to be rescheduled as a result of the COVID crisis.

The work for what sounds like only 225 subjects was actually quite phenomenal and I think the biggest bit that we will now leverage going forward—I am finally getting to answer your question—is that we actually had to deliver our examinations online. We were not able to deliver all our un-invigilated exams face-to-face so where we may have had difficulty in changing that culture with our academics, we actually now have the capacity and drive from our staff to deliver our examinations online. About 10 per cent of what would have been a paper-based examination required invigilation and we are looking at a long-term solution to how we can do that safely and ensure the privacy of our students. But we are committed to that and I think what we have learned from

COVID is that we do know how to engage our students online. We know that the design and delivery of courses online is very different to how you design and deliver a course at uni or—

Mr DAVID SHOEBRIDGE: Sorry, I do not mean to cut you off but it has been a very long answer. Really what I was asking about was quite simple in some regards. Both of you have said, "We're great at this. We're leaders in this online delivery. This is what we do, we've got thousands and thousands of students." What I am asking is: Have you been able to say in that the COVID-19 world, "Actually we're great at this. This is what we do. We've got great experience" and actually sell that to expand your footprint? If you have not, why not and do you need assistance from State or Federal government to sell the product?

The ACTING CHAIR: Mr Shoebridge, I do believe that Professor Wheat was trending towards a—

Mr DAVID SHOEBRIDGE: Trending towards, I agree, but I suppose I really want a focused answer on that point. If the answer is that it is a work in progress then please make it short.

The ACTING CHAIR: I just want to ensure that Professor Wheat had the opportunity to complete the answer as well.

Professor WHEAT: Thank you, Mr Chair. Absolutely we are leveraging that through our marketing in that we are seeing a strong demand for our courses in the online space in 2021, but we are always open for more support.

Mr DAVID SHOEBRIDGE: I am more than happy if there is anything further to be added by way of notice to both universities, because time is short.

Professor WHEAT: Thank you.

Mr DAVID SHOEBRIDGE: In terms of online examinations, are you both using ProctorU?

Professor HEYWOOD: UNE uses ProctorU as its preferred supplier. We use invigilated examinations with them. We initiated a pilot from 2018 with them, so we have had a partnership to develop invigilated and assessed examinations using a broad range of online examination models. We scaled up with them and asked for a developmental pilot to address issues of privacy, examination integrity, adaptation to meet particular types of disability and also adaptation to assess disciplines that would normally require particular presentation in digital mode, say with thematic physics. Some of those have particular requirements for either symbols or diagrams et cetera.

Mr DAVID SHOEBRIDGE: I saw Charles Sturt shaking their head, which does not go well on *Hansard*. I take it you do not use ProctorU. Is that right?

Professor WHEAT: I was just going to give my colleague Professor Heywood the opportunity to answer. But we do not use ProctorU, we actually engaged Examity and experienced some technical difficulties, so we made the difficult decision, when the assessments are of such a high-stakes for our students, that we did not want them to be worried about the system not being able to cope. We then actually investigated Zoom-based invigilation and that seemed to go okay. We are still looking for a more permanent solution.

Mr DAVID SHOEBRIDGE: If I could go back to you, Professor Heywood, maybe it would be useful for the purpose of the transcript to describe invigilation. It is not having a UV line put into you. Can you describe what invigilation is?

Professor HEYWOOD: It can take a range of forms, depending on the nature of the subject and the nature of the assessment—short, long or other. I am sure most of you know that the first thing that happens is a biometric check to assure the system that the student presented for the examination is identified as the student attending for the examination, so it uses a whole series of biometric recognitions and then checks that that student is continuing to participate as a result of that biometric recognition. It monitors keystrokes, so there are a whole range of digital tools that contribute to the invigilation process and then there are also proctors, or invigilation supervisors, that are provided by ProctorU to monitor the progress of the examination as a whole.

To the second part of your question about what Australia might do, Australia has very little capability in this area. I have spoken in other places to say that this is a real opportunity, given the pedigree of the Australian education system, for Australia to think about developing its own online assessment provision, because that would give them the niche position in the online market internationally that we currently do not have. Our concern would be not that we manage the privacy matters but we have spent nearly six, seven months discussing the warehousing of the biometric data that has to occur when you use a third-party offshore provider.

Mr DAVID SHOEBRIDGE: Professor, you would be aware of the substantial data breach involving ProctorU, which was reported recently. Were any of your student details included in that data breach?

Professor HEYWOOD: No, our security system guarantees that that breach is, though not impossible, almost impossible because of the way that our students are entered into the ProctorU environment. As I said at the beginning of my submission, we have been working with ProctorU for about 18 months now on how these protocols would work to ensure both security of the student as a participant in the examination but also security of the examination process. We are aware that other people did have their files breached, but we were not subject to any breach whatsoever.

Mr DAVID SHOEBRIDGE: Is any of the data provided to ProctorU, particularly the biometric data and that personal data about students, located offshore?

Professor HEYWOOD: Yes.

Mr DAVID SHOEBRIDGE: How on earth can we ensure the security of that data if it is being located offshore?

Professor HEYWOOD: Sorry, can you repeat the question?

Mr DAVID SHOEBRIDGE: How can we, collectively, ensure the security of such personal data like biometric data of students? How can we ensure that security if it is ultimately located offshore? How do we provide assurance?

Professor HEYWOOD: We provide the normal assurance through the way in which the data are first extracted as biometric identification and then the way in which they are warehoused. I will take on notice giving you the particular technical details, but there are technical attributes that will limit the risk of the identity of an individual and their biometric signatures all being collated in one place and therefore harvested simultaneously. Our assurance is that we have not been breached but I am sure that risk exists regardless. But I am also aware of the large quantum of biometric data across the whole education system that is actually stored on third-party warehouses, some of which are offshore.

Mr DAVID SHOEBRIDGE: But do you not think there is an especial obligation on all universities—I am not singling out your institution, professor; multiple universities use ProctorU. But do you not think there is an especial obligation on Australian universities to ensure that critical personal information, especially biometric data, is not provided to a third party and then offshored? Do you not think that there is an especial obligation on universities to ensure that kind of critical personal information is not allowed to go offshore?

Professor HEYWOOD: I will take on notice so that you understand exactly what information is provided in order to create the biometric identification process by which students are entered into ProctorU or any other similar system. I think all institutions in Australia have an absolute responsibility to go through the privacy regulations and protect personal information, and I believe that universities for the most part are exceptionally good at this because we are exceptionally conscious of the risk if we do not.

Mr DAVID SHOEBRIDGE: But professor, none of those regulations are going to operate on a third party's database which is not in the jurisdiction. That is the point, and that is why I raise with you the especial concern about offshoring personal data. None of those will provide—

The ACTING CHAIR: Mr Shoebridge, the witness has taken the question on notice. I will allow it if Professor Haywood wishes to expand on it any further, but I do note that she has taken it on notice and I am sure that she will provide on notice the answer to that question.

Mr DAVID SHOEBRIDGE: The answer, in part, said that there are regulations in place and I wanted to ensure that Professor Heywood understood my concerns and the concerns implicit in the question that those regulations will not apply to data stored outside the jurisdiction. Professor Heywood, do you understand that?

Professor HEYWOOD: I perfectly understood your question, thank you, and I understand the point you are making. You seemed to be implying that that was only a matter for universities. I think we take very particular care, both in-country third-party providers—never mind those offshore—about what data we collate, how we warehouse it for the purposes of identification, whether it is anonymised, pseudo-anonymised et cetera and how we then manage the privacy controls around that data through the contracted agency of that third party. I am very happy to provide written guidance on how UNE approached its relationship with ProctorU. As I said, I am happy to take that on notice.

Mr DAVID SHOEBRIDGE: With the Acting Chair's indulgence, my final question is this: Professor, are you aware of the fact that ProctorU in its own privacy disclosure, which is clicked on and agreed to by students when they are accessing ProctorU, includes the fact that it may in certain circumstances provide private information to third parties? Are you aware that that is part of ProctorU's privacy disclosure?

Professor HEYWOOD: I am aware that that is part of their privacy disclosure. As I have said, on notice I am happy to provide you with details of our contract with ProctorU.

The Hon. SCOTT FARLOW: Thank you very much for all being here in virtual attendance today. Professor Wheat, I want to pick up on one of the comments you made before with respect to the delivery model that you have. It sort of flows on from Mr Shoebridge's question before. Both your university in CSU and the University of New England as well are seen as leaders in online education, and it is not just putting a PDF or a PowerPoint online. Can you explain that advantage to the Committee? What do you do that others do not in being able to deliver educational content online?

Professor WHEAT: Thank you for the opportunity to answer that question. We understand that there is an art to designing and delivering education online and there is certainly a lot of theory and evidence to how we do that. It involves making sure that we engage our students using different types of pedagogies, with making sure that we do not expand a lecture out to an hour—there are short chunks of information. The way we set up our online learning system makes sense and allows the content and the curriculum to be mapped easily through learning. It allows the student to study at their own pace, should they want to, but engage synchronously or asynchronously so that we can offer the flexibility that distance students need. There is a great deal of design, development, thinking and resourcing that goes into designing a really high-quality online subject and ensuring that our students have an engaging experience and they learn what they need to learn.

The Hon. SCOTT FARLOW: Professor Heywood, did you want to add anything on the UNE perspective?

Professor HEYWOOD: The differentiation is not only about pedagogy and the practice of curriculum design, content presentation and the nature of the classroom experience. The differentiation is also the kind of educational technologists that we bring in to manage the presentation of information to create interactive materials. The conventional interaction in a classroom has to be repeated in different ways through the process of delivering the learning objects and, in inverted commas, the "lecture experience". The lecture experience design is quite different.

The additional elements around that are then the nature of the academic and student support that you design around that. You are speaking about online education. In its pure form, that will be making a series of learning materials available for the student to pick up and put down at their leisure, but the majority of their student support will be achieved by actually physically attending either a library, a classroom et cetera. If they are distance students all of that is provided as part of the educational experience. We have counsellors, we have student advisers, we have educational technologists, we provide financial advice, we provide career and pastoral advice and we have specialist adviser teams who are used to interacting 24/7 as and when students come online and seek support.

The second part of it is tutorials and interactive events, in order to ensure that students who study by distance or online experience peer to peer learning are able to have direct tutor experience but they are also able to have feedback on their work as they are developing it. That means that you have a rich tutorial model that embraces the students at all points during both a prescribed timetable but that you able available for when the students—lots of our students will come online at 10 o'clock at night. Our busiest periods are actually six o'clock at night until about two o'clock in the morning, as opposed to nine to five during the conventional working week. You have to transition all of your resources to accommodate a 24/7 model of delivery and a 24/7 model of support. Then you have to engage to ensure that the students have opportunities for directed feedback at a group level and at a specific level, and that all those other instruments of support outside of the classic classroom and your virtual incarnation of that are available to support a much broader range of student typologies.

I have already commented that many of us are supporting very large numbers of Aboriginal students; University of New England supports the fourth-largest cohort in Australia. We have a very high proportion of students with disabilities across a quite significant range. We have to adapt our learning materials to be access enabled across that whole spectrum. We then have to adapt all of the support infrastructure to do that. The University of New England has been recognised for the fifteenth year running as being the number one provider of student support in tertiary education across the State.

It is because we understand the complexity of that whole-of-support box and we have developed the professional roles to fulfil that support need across the whole spectrum of our curriculum, which is 290-odd different programs. It is not as simple as, "We put up a lecture that is delivered over a period of 50 minutes or an hour and then we put up the next one and we see what happens." It is an integrated, holistic model entirely devoted to the full support of the student and their success. That is a much more complex range of professional support than happens in a conventional classroom situation, where different economies of scale apply to make that provision relevant to students attending on campus and navigating their own peer-based learning, for example.

The Hon. SCOTT FARLOW: Thank you very much. I thought that was a very good explanation. Just looking forward into the events of COVID and how that is going to change the dynamics in the education sector, are you finding at this stage an increased interest from country kids that may not be going to a Sydney university anymore and that are looking at either studying remotely or studying on campus at one of your facilities?

Professor GERMOV: I might start. Yes, early indications are that there is increased interest and preferences from across the board. We are anticipating that we will see an uptick in particularly students from regional and remote staying in the region to study. We suspect that bodes well for the coming year, but it is still early days.

The Hon. SCOTT FARLOW: And from UNE's perspective?

Professor HEYWOOD: Thank you for the question. What we have seen in response to a very targeted activity that we initiated immediately after recognising that the conventional exams were going to be disrupted, the ability of all students to complete the HSC process and seek entry through the Australian Tertiary Admission Rank—we have always run an early entry program. We actioned specific promotion of that program and specific engagement with careers advisors in schools. As a result of that we have seen a 30 per cent increase in our early entry applications. We relate that very particularly to the action we took across the region, probably mid-COVID in T1, in order to support students who were concerned about being able to perform and complete their HSC either because of disruption of provision, or the inability to complete all of their studies because of digital disruption, or the lack of opportunity of teachers to provide them with full tuition through an online load. We also offered a diploma in online education to all teachers in all the schools that we have outreach to across the region. We have now seen an uptick in professional individuals starting to pursue that as an additional part of their professional qualifications.

The Hon. SCOTT FARLOW: Thank you. Due to both the proportion of international students you rely on and also because of your innovation when it comes to online delivery, I take it that the economic impact on your university is not as significant as it may be for some universities that are significantly reliant on international students. However, I would think that the actual impact on the community that you operate in might be disproportionate in terms of how reliant that community is on the university. So, when I think of a town like Armidale, which is very much seen as a university town—that there would be a significant impact on the local economy from the impact there has been on your operation, both from domestic students coming on campus and also international students. Could you give us an insight into perhaps what that impact has been on the local community?

Professor HEYWOOD: We are very happy to do so. First of all, just to challenge the assumption that just because we may not have a large international cohort of students there was not a significant financial impact on the university—that financial impact for us started a year ago in the drought. We had to terminate and change certain activities that would normally occur on campus because of the drought. So, we closed down all of our student outreach activities. We had to moderate the use of our sports facilities and our creative arts facilities, et cetera, because of the drought and then the bushfires. The impact of that was about a $5 or $6 million hit on business revenue over the end of 2019 coming into 2020. Bushfires had a further impact on that, but we have not run conferences. We have not run graduation ceremonies or related events. As a result of those activities, UNE brings about half a million a week into Armidale through the airport, through the use of car hire and through the use of additional bed nights in the accommodation matrix of the town and the region.

That flowed out into tourism quite visibly. COVID just made that worse. We have lost $10 million our accommodation because the only students we have are remote and rural students, who we have allowed back because of wellbeing and psychological welfare issues, and the international students that are remaining here on campus. We suffered harm to our recruitment because of drought and then bushfire, so we had a drop in revenue in T1 of about $16 million, which we have now recovered. Most of our business operation facilities, which connect directly into the region in the way that you have described, have been shut down for the past six or seven months. So, we have suffered a $25 million budget adverse outcome this year and I am projecting not much different for next year because of COVID-related effects that were led into by drought and bushfire.

Professor GERMOV: I might just follow on. Everything Professor Heywood said applies to Charles Sturt. So, on-campus accommodation, students coming to town and the multiplier effects that involves the businesses on campus that have had to shut down—as well as the restrictions coming out of the drought and bushfires—put us behind the eight ball to start with, before COVID. We were already predicting a $16 million structural deficit this year, pre-COVID. We were already gearing up to take some action. A confluence of a number of events led to that, but COVID then added another $33.5 million onto that. Early in the year we predicted about a $49.5 million impact. We have obviously put in a range of budget remediation and we have brought that back.

We are on track to bring that to less than half. The plan, as approved by our university council, is to maintain those approaches into the new year, to try and get back to a balanced budget by the start of 2022 or the end of 2021. That is requiring putting on hold a range of capital development programs. So, we have stripped back our capital program down to what was already in train and contractually agreed to, particularly where there was Government money involved. That is particularly our Port Macquarie campus expansion, which was midway through. We have something like around $58 million worth of capital projects on hold at this moment, so it is something that could gear up again and could benefit from a stimulus from the State Government.

The ACTING CHAIR: Thank you very much. Unfortunately we have reached the completion of this hearing today. The Committee has resolved for questions on notice to be returned to us within 21 days. The secretariat will contact you in relation to any questions that you have taken on notice. I thank all the witnesses for appearing today. That will close today's hearing until tomorrow.

(The witnesses withdrew.)

The Committee adjourned at 16:33.