



THE UNIVERSITY OF
SYDNEY

Professor Mark Scott AO
Vice-Chancellor and President

8 March 2024

The Hon. Daniel Mookhey MLC
Treasurer
52 Martin Place
Sydney NSW 2000

By email: daniel.mookhey@parliament.nsw.gov.au

Dear Treasurer,

The University of Sydney is pleased to provide a pre-Budget submission as part of the 2024-25 Budget process (see attached). As Australia's first university, we have educated generations of students for 170 years and today we are home to 75,000 students and 10,000 staff, who live, study, teach and undertake research in 10 locations across NSW.

The University's 10-year strategy, launched in 2022, articulates our ambition for our work to be more compelling than at any other time in our history. We want people to speak about the extraordinary power our world-class research and teaching have to transform lives and to be proud of our work in discovering new knowledge, delivering solutions that benefit society and providing a transformational education for our students.

We are tremendously proud of our economic, social, educational and cultural impact. Independent analysis from ACIL Allen Consulting estimates that, in 2022, the University contributed \$5.5 billion to the NSW economy in economic output, including \$1.1 billion in research impact and \$1.7 billion in education impact through the provision of skilled graduates. Furthermore, ACIL Allen calculates that, in terms of future productivity gains, every \$1 we invest in research generates an extra \$7.38 towards GDP.

Independently of our economic contribution, we estimate that around one third of the State's health workers are alumni from our university, with similar contributions in teaching, social work and many other professions. To that end, we want to make sure that our institutional efforts advance the interests of NSW in all that we do.

Treasurer, in delivering your inaugural Budget in September 2023 you outlined priorities that included public investment to benefit the many; prioritising essential services, particularly health and education, and the workers in those sectors; concrete action to tackle the housing crisis; and an economy built on the skills, ingenuity and intelligence of the people of NSW. These priorities chime with the University's ambitions. We look forward to continuing to work with the NSW Government to advance policies and projects for the common good. I commend the attached pre-Budget submission to you.

Yours sincerely,

(Signature removed)

Professor Mark Scott AO
Vice-Chancellor and President
Office of the Vice-Chancellor and President
Michael Spence Building
The University of Sydney
NSW 2006 Australia

vice.chancellor@sydney.edu.au
sydney.edu.au

ABN 15 211 513 464
CRICOS 00026A

The University of Sydney, Submission to the New South Wales Government's pre-Budget 2024-2025 consultations, 8 March 2024

Summary

The University of Sydney welcomes the opportunity to make a submission to the NSW Government's 2024-2025 pre-Budget consultation process, understanding the Government's three priorities for this budget are rebuilding essential services, supporting families with cost-of-living pressures, and budget repair.

Our submission makes 11 recommendations offering solutions related to nine key challenges or opportunities facing NSW, where we believe commitments of funding or other supports from the NSW Government would deliver significant benefits to the people of NSW for years to come. Those areas are:

- [Strengthening NSW's innovation economy and spin-out ecosystem](#)
- [Securing NSW as a global leader in quantum technology](#)
- [Meeting Western Sydney's education, innovation, heritage and cultural needs](#)
- [Connecting Sydney's health, innovation and education precincts](#)
- [Collaborating and planning to advance Tech Central](#)
- [Reforming NSW planning laws to unlock affordable housing](#)
- [Deepening school and university partnerships to lift student learning outcomes](#)
- [Providing public transport concessions for all tertiary students](#)
- [Supporting NSW's vibrant democracy in challenging times.](#)

Recommendations

1. Establish a research translation fund modelled on Victoria's \$100 million [Breakthrough Victoria - University Innovation Platform](#), to stimulate research commercialisation in NSW.
2. Renew funding to the [Sydney Quantum Academy](#) for a further five years from 2024.
3. Co-invest with the University of Sydney to establish a new Conservatorium of Music in Parramatta.
4. Help the University progress a future campus for 25,000 students in Westmead/Parramatta.
5. Explore rapid transit solutions to and from the [Camperdown health, education and research precinct](#).
6. Ensure that land is readily available for the cost-effective establishment of commercial and industry R&D spaces in [Tech Central](#).
7. Recognise university-run accommodation as 'affordable housing' under NSW planning laws.
8. Partner with the University and other NSW universities to provide stable long-term investment to strengthen academic partnerships between NSW public schools and universities.
9. Provide public transport concessions for *all* tertiary students, as offered by all other states and territories.
10. Provide seed funding to establish a 'Democracy Academy' to lift the NSW teaching workforce's capacity to teach the civics components of the new Human Society and its Environment syllabus.
11. Develop a state-wide public and school education campaign about our democracy and its key principles such as freedom of speech, the rule of law, tolerance, social cohesion, and the importance of civility and disagreeing well in public and online.

We would welcome the opportunity to discuss any of the ideas and recommendations with NSW Treasury or other departments as appropriate.

1. Strengthening NSW's innovation economy and spin-out ecosystem

The University of Sydney commends the NSW Government's recent Innovation Summit, which demonstrated the importance of innovation to the State's future competitiveness and prosperity.

Universities are the bedrock of research and development (R&D) in Australia, contributing 35 per cent of all R&D expenditure each. Australia's researchers punch well above their weight, accounting for some four per cent of the world's published research despite comprising only 0.3 per cent of the global population.

The University of Sydney and other NSW universities are pursuing strong research commercialisation agendas, including collaboration with industry and support for spin-outs and start-ups. Over the past five years, some 62 companies have been spun out of the University of Sydney alone. Among these companies are [Gelion](#) (transformative new battery technology) and [Kinosis](#) (novel therapeutics for social dysfunction and substance use disorders).

The commercialisation of university research is a significant driver of innovation in NSW by creating new industries, high-skilled jobs and building the foundations for vibrant innovation precincts. Yet, NSW's innovation economy risks falling behind competitor states like Victoria and Queensland, which are investing much more proactively, with long-term outlook, to accelerate the translation of their universities' research.

For example, the number of spin-out companies created in Victoria recently is growing at a rate almost seven times faster than in NSW, with Victoria's [\\$2 billion Breakthrough Victoria Fund](#) a key factor in their strong research commercialisation performance compared to NSW's. If NSW could achieve Victoria's recent 34 per cent annual growth in spin-outs, this would generate around 12,500 additional direct jobs and \$2.2 billion in annual investment in NSW by 2033.¹

Recommendation 1

To address the widening gap in research commercialisation between NSW and Victoria - and to realise the immense economic potential of stimulating home-grown R&D - the NSW Government should establish a research translation fund modelled on Victoria's \$100 million [University Innovation Platform](#), part of Breakthrough Victoria's broader \$2 billion investment fund.

2. Securing NSW as a global leader in quantum technology

The [Sydney Quantum Academy](#) (SQA) is a partnership between four leading NSW universities (UNSW Sydney, the University of Technology Sydney, Macquarie University and the University of Sydney). It was founded in 2019 with generous support from the NSW Government to grow the State's quantum ecosystem and economy.

The SQA has achieved significant success since its inception, including:

- attracting and retaining talent - the SQA now has a community of 110 quantum experts, which is estimated to represent 50 per cent of Australia's expertise
- supporting and developing more than 150 quantum PhDs, who will form the basis of a thriving ecosystem in NSW by establishing start-ups and providing a workforce for rapidly growing local quantum companies.

The SQA was originally co-funded for five years by the four partner universities, the Commonwealth Government and with the NSW Government being the largest contributor (\$15.4 million). NSW Government funding is due to expire in June 2024.

Without further NSW Government investment, there is a real risk of reduction in the SQA's activities and visibility. Recent funding announcements from other States will see NSW's quantum experts go abroad or interstate. For example, the Queensland Government announced a \$76 million investment in

quantum technologies in October 2023, while Victoria announced \$29 million in 2022 and a further \$8 million in 2023.

The four partner universities have committed to investing a further \$20 million in the SQA as part of a new five-year funding agreement, reflecting the significant contribution the SQA has made to the NSW quantum economy.

Recommendation 2

To secure NSW's future as a global powerhouse in Quantum technology and its commercialisation, the NSW Government should renew funding to the SQA in its 2024-2025 Budget given the criticality of maintaining the momentum SQA has collectively built over the last five years. The funding ask is \$21 million over next five years.

3. Meeting Western Sydney's education, innovation, heritage and cultural needs

The University recently celebrated the [45th anniversary of its presence at Westmead Hospital](#) and has been a key partner in the [Children's Hospital at Westmead](#) since 1995. Today, we have over 2,000 students, 280+ researchers and academics, and a further 680+ researcher affiliates spread across the hospitals and affiliated research institutes at Westmead, with an annual research income of \$49 million.

In our [Sydney in 2032](#) strategy, we commit to expanding our education offerings in Western Sydney, providing new opportunities for skills development that progress our commitment to building a greater presence in this diverse region.

Analysis by the Centre for Western Sydney shows the educational attainment in our city is divided. The proportion of people who hold a Certificate III or higher is 48 per cent in Western Sydney compared to 63 per cent in other parts of Sydney.² In some sectors like the arts, underinvestment is systemically biased against Western Sydney, where at a State-level, for example, this community received only 36.6 per cent of cultural infrastructure funding from 2015-2022.³

With the population of Western Sydney expected to grow significantly in the coming decades, we are committed to delivering an exceptional multi-disciplinary university campus within the [Westmead Health and Innovation District](#). A future campus would contribute to areas of skills need in NSW - such as health and teaching - building on the district's rich heritage and cultural traditions.

The University's ambition is for a campus of 25,000 students and 2,500 staff at Westmead by 2055, surrounded by significant affordable student and staff accommodation, which will make a major ongoing contribution to local jobs and economic activity. We are actively exploring opportunities to start that journey through the creation of new teaching capabilities in 2025 and 2026.

Recommendation 3

To deliver new educational capabilities for Western Sydney's growing population and to address the gap in culture and arts funding, we invite the NSW Government to co-invest with the University to establish a new University of Sydney Conservatorium of Music in Parramatta. The creation of this institution will build on the reputation and capabilities of the [Sydney Conservatorium of Music](#) to create new educational opportunities in contemporary and digital music, with enrolments starting in 2026, reaching 200 new music students by 2030. This will directly contribute to solving systemic issues in our city's cultural and community fabric. The funding ask is \$4 million over five years, which will leverage a further \$16 million of investment from the University.

Recommendation 4

To lay the platform necessary for the new campus development in Parramatta/Westmead, we urge the NSW Government to support the Department of Enterprise, Investment and Trade with progressing the Cumberland Precinct Framework Deed into a transaction phase, with the intent to conclude an outcome early in 2025.

4. Connecting Sydney's health, innovation and education precincts

The local area surrounding the University of Sydney's Camperdown campus and Royal Prince Alfred Hospital supports more than 70,000 jobs, representing over \$13.3 billion in annual economic output for NSW.⁴

As we made clear in our submission to the NSW Parliament's Inquiry into the Sydney Metro West project in September 2023, there is a compelling case for improved rapid transit solutions to and from the [Camperdown health, education and research precinct](#).⁵

The creation of rapid transport solutions to the precinct would service the globally-renowned RPA, two of Australia's leading universities (Sydney University and the University of Technology Sydney) and multiple medical research institutes.

Establishing fast and convenient public transport connections between the Camperdown precinct, [Tech Central](#), [Green Square](#) and Western Sydney, will foster growth and economic development, innovation and partnerships between some of Australia's leading institutions and industry.

Recommendation 5

To unlock the Camperdown precinct's potential, the University calls for the exploration of rapid transit solutions to the precinct, including the feasibility of the Parramatta Road to Green Square via Central Station light rail line.

5. Collaborating and planning to advance Tech Central

[Tech Central](#) is emerging as a globally significant hub for technological innovation and a place for collaboration between industry, government and tertiary education. The University of Sydney is a founding partner in the Tech Central precinct and has been a member of the precinct leadership groups since its inception.

We are proud to be partnering with the Sydney Local Health District and the NSW Government to deliver what will be one of the most significant new projects in Tech Central - the \$650 million Sydney Biomedical Accelerator, due to open in 2027.

For Tech Central to thrive, it will require visionary leadership.

Recommendation 6

To advance the creation of deep tech industries and high-value jobs in the heart of Sydney, we urge the NSW Government to take a coordinated approach to developing the Tech Central precinct, which ensures that land is readily available for the cost-effective establishment of commercial and industry R&D spaces.

6. Reforming NSW planning laws to unlock affordable housing

The University commends the NSW Government's focus on tackling the housing crisis and believes that all NSW universities can play important roles; working with the Government and other stakeholders to alleviate housing stress by helping to deliver much more affordable housing.

Universities can be significant providers of affordable accommodation - for student housing specifically - that has flow-on benefits for the wider community. Universities provide some of the most affordable forms of accommodation available to students and other members of their communities.

For example, University of Sydney-run student accommodation provides rents at least 25 per cent below the rate of for-profit private sector student accommodation. Student accommodation developments are supported by pastoral care and student services, and include furniture, heating and Wi-Fi, fully equipped kitchens, and a range of student support facilities.

Recognising university-run accommodation as a category of 'affordable housing' under the State's planning laws would encourage universities to develop more affordable accommodation, by providing planning control relief, density bonuses and exemptions from development contributions. Achieving any additional investment in university-run affordable accommodation will directly relieve pressure on surrounding private rental markets.

Recommendation 7

To better enable NSW's universities to play their part in helping NSW address its accommodation crisis, the University calls on the NSW Government to recognise university-run accommodation services as a category of 'affordable housing', for the purpose of providing affordable accommodation to students and other members of their communities. This will encourage those universities that have the capacity to further develop affordable housing, putting downward pressure on private rentals.

7. Deepening school and university partnerships to lift student learning outcomes

The Australian Universities Accord has recently concluded that, by 2050, almost one million more Australians will need to be participating in tertiary-level studies each year, if they are to have strong job prospects and be well-prepared for life-long learning.

The Accord has proposed a target of 80 per cent of the working-age population having at least one tertiary qualification by 2050, compared to 60 per cent today.⁶ Yet, the Accord has also found that Year-12 school completion rates are declining, while the numbers of NSW secondary students finishing higher-level STEM and English HSC subjects, as well as learning foreign languages of strategic importance to NSW, are in long-term decline.

Given these trends and the critical need for more NSW school students to complete Year 12 with strong foundational skills⁷, there is much potential to deepen academic partnerships between NSW public schools and the State's universities. For example, with mathematics to become compulsory again for the NSW HSC from 2026, the University of Sydney and other NSW universities are extremely well placed to partner with the NSW Department of Education to help prepare public school teachers and students for this transition through maths teaching refresher and retraining courses, and by expanding existing school outreach and intensive maths study options available to public school students State-wide.

Recommendation 8

To help improve Year 12 completion rates in NSW and lift the foundational skills of NSW school students, we urge the NSW Government to partner with the University of Sydney and other NSW universities to provide stable long-term investment that grows and sustains innovative academic partnerships between NSW public schools and universities.

8. Providing public transport concessions for all tertiary students

NSW is the only Australian jurisdiction that does not provide public transport concessions for *all* students.

International students and domestic part-time students (both undergraduate and postgraduate) are not eligible for transport concessions under the NSW Government's current approach. This is despite the significant economic, labour force, social and cultural benefits that flow to NSW from the State's tertiary education system and the students it attracts from around the world.

For example, international students from the University of Sydney contribute \$1.4 billion directly to the economy, with an estimated further \$2.5 billion in indirect benefits contributed to the broader NSW economy annually. This includes significant amounts of GST paid by international and part-time domestic students and their families, which flows to NSW. The current lack of a public transport travel concession for international and part-time domestic students is unfair and, in an increasingly competitive market for international students, risks making NSW a less attractive destination than other Australian jurisdictions.

The University notes that a NSW Parliament petition on this issue has, as of 1 March 2024, received 20,000 signatures. We also note that the Australian Government's recent changes to international student visa processing and post-study work rights are likely to make state-based differences more important factors for students when making decisions about where to study. Extending public transport concessions to international students would send a strong signal that NSW welcomes them and is open for business.

Recommendation 9

The NSW Government should act as all other Australian jurisdictions have done to provide a concession on public transport fares to *all* students, including international students and part-time domestic students, who are currently excluded. As a first step towards extending the concession to cover all students, Treasury and Transport for NSW should commit to working with student representative organisations and tertiary education providers to model the costs and benefits of different approaches to providing public transport concessions for all tertiary students.

9. Supporting NSW's vibrant democracy in challenging times

The 2023 Voice referendum debate exposed fault lines in civil community discourse, while the escalating conflict in the Middle East has brought the need for review of Commonwealth and NSW hate speech laws into sharp focus.

NSW's universities have vital roles to play in modelling civic discourse, information and opinion sharing in ways that are safe and help to strengthen social cohesion in the wider community.

In February 2024, our Vice-Chancellor and President, Professor Mark Scott AO, joined the Premier's Prevention Panel on Racism and Extremism. The panel provides strategic direction and whole-of-government coordination of the NSW Government's approach to preventing all kinds of hate crimes, racism and extremism. The University welcomes the Government's commitment to this issue and is keen to work with it and other stakeholders to develop solutions.

At a time when democracies around the world are under significant threat, it is concerning that the latest survey data in Australia suggests that knowledge of our democratic institutions and processes is declining amongst students and voters. For example, according to the most recent figures on civics proficiency among Australian Year 10 students, only 38 per cent reached an acceptable level of understanding about the foundations of our democracy, including its key principles, institutions and the rights and expectations of citizens.⁸

We therefore strongly support the NSW Government decision to introduce a Human Society and its Environment syllabus to NSW schools, with an enhanced focus on civics and how people can participate in democracy, to be introduced to classes in 2027. The University is keen to support the NSW Department of Education and NSW schools across the State to upskill existing teachers so they are well-prepared to deliver the new curriculum.

Recommendation 10

To substantially improve levels of civics and citizenship knowledge amongst NSW school students over the next decade, we urge the NSW Government to partner with the University, by providing seed funding to establish a 'Democracy Academy', modelled off the University of Sydney's successful [STEM Teacher Enrichment Academy](#), to help lift the NSW teaching workforce's capacity to teach the civics components of the new Human Society and its Environment syllabus in preparation for its introduction from 2027.

Recommendation 11

We ask the NSW Government to work with the University of Sydney and other NSW universities to develop and initiate a state-wide public and school education campaign about our democracy and key principles such as freedom of speech, the rule of law, tolerance, social cohesion, and the importance of civility and disagreeing well in public and online.

Ends/

Endnotes

¹ Cairney, J., Rodda, S., Feb. 2023, Accelerating university research commercialisation in NSW, draft paper provided to Investment NSW by the University of Sydney and the University of New South Wales, p.2

² Centre for Western Sydney, 2023. [Bridging the Divide: Exploring the intersections of education, income and identity in Western Sydney](#). p. 6.

³ Itaoui, R., Merrillees, D. Gerace., G. 2023, [State of the Arts in Western Sydney](#), Parramatta, Centre for Western Sydney.

⁴ University of Sydney, 19 Sept. 2023. [Submission to NSW Legislative Assembly's Inquiry into the Sydney Metro West Project. p.2](#)

⁵ *ibid.*

⁶ Australian Universities Accord Panel, Feb. 2023, [Final Report](#), Recommendation 2.

⁷ <https://www.informedchoices.edu.au/>

⁸ 2019 National Assessment Program in Civics and Citizenship