



Parliamentary Standing Committee of Public Accounts

Media Advisory

Tuesday, 1 April 2025

Inquiry into the UTAS Financial Position

The Parliamentary Standing Committee of Public Accounts (Committee) has completed its targeted inquiry into the University of Tasmania (UTAS) financial position, with a particular reference to its current financial position, its plans to address a number of underlying financial pressures and the impact of the Australian Government higher education/tertiary education policy and funding, and immigration policies on UTAS' financial position.

The Committee found UTAS continues to navigate a challenging financial landscape, driven by external economic pressures, government policy changes, and shifting student demographics. The institution faces ongoing financial strain due to inflation, declined international student enrolments, and rising capital and operating costs. UTAS has implemented financial adjustments and strategic projects to ensure long-term stability but remains highly reliant on external funding and government policy reforms.

International student revenue, previously a key growth driver (2014–2019), has declined post-2019 due to the COVID-19 pandemic and migration policy changes in Australia and China, resulting in an estimated \$189 million negative impact on UTAS' operations. UTAS is targeting a return to profitability through cost reductions and financial restructuring.

The University relies on international student revenue to cross-subsidise research and capital investment, a model that may become unsustainable due to Australian government policy reforms on student visas and enrolment caps.

Whilst UTAS has maintained an approved borrowing limit of \$400 million it faces debt management challenges amid rising construction costs and shifting project scopes. These challenges continue with UTAS executing major real estate and infrastructure projects, including the transition of its southern campus to the Hobart CBD and a new STEM facility at Sandy Bay campus and the planned sale of selected properties in the Hobart CBD.

New STEM (Science Technology Engineering and Mathematics) facilities are needed to deliver contemporary teaching, learning and research facilities to ensure attraction and retention of staff and students to STEM which is an important economic driver for Tasmania. UTAS claim current STEM facilities at Sandy Bay campus are extremely aged and are not in line with high-quality, best-practice teaching labs that are available in other Australian universities.

UTAS claim approximately \$500 million will be required to build new and/or retrofit existing buildings at the Sandy Bay campus, below Churchill Avenue. UTAS state this cost would be very similar for either a complete new building or a partial new build and retrofit of some existing buildings below Churchill Avenue. UTAS lacks internal funding capacity to support such investments. Federal, State and possibly Local Governments would be required to make financial contributions to enable new and updated STEM facilities to be built.



UTAS has significantly grown its on-line presence and is now the fourth biggest online operator of university courses in Australia. UTAS claim the provision of online courses is not cheaper to provide than on-campus teaching, due to the initial content development and updating required, and the licences to maintain the software costing approximately \$25 million versus \$10 million to maintain campuses. Online courses are more readily scalable and assist in increasing accessibility across Tasmania, nationally and internationally, and has the added benefit of reducing costs for students.

UTAS has experienced a change in student profile, including a larger number of mature aged students, part time students and online students. The increase in part-time students has increased the per student cost, adding to the financial challenges facing UTAS.

UTAS' ability to navigate policy uncertainty, manage capital investments, and secure diversified funding sources will determine its long-term financial sustainability. Continued scrutiny is required on government policy impacts, debt management strategies, and capital investment priorities.

The Committee made 38 findings and the following 2 recommendations:

- Regular parliamentary scrutiny of UTAS' financial performance by a relevant parliamentary committee is undertaken; and
- Recognising the need of regional universities, which includes UTAS, the Tasmanian Government advocate on behalf of the State's only university, to the Australian Government to provide stable and equitable per-student funding, and clarify and influence international student policy settings, for quotas and migration policy settings, to promote the financial sustainability of UTAS.

The Members of the Committee are:

Legislative Council

Hon Ruth Forrest MLC (Chair)
Hon Luke Edmunds MLC
Hon Bec Thomas MLC

House of Assembly

Mr Simon Behrakis MP
Mr Mark Shelton MP
Mr Josh Willie MP (Deputy Chair)

Information regarding the inquiry will be posted on the [Committee webpage](#).

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Further information: Hon Ruth Forrest MLC (Chair) – 0419 879 524 or Josh Wille MP (Deputy Chair) on 0408542543