

The Hon Ruth Forrest MLC  
Chair, Parliamentary Standing Committee of Public Accounts

By email: [Simon.Scott@parliament.tas.gov.au](mailto:Simon.Scott@parliament.tas.gov.au)

Dear Ruth

Thank you for the opportunity to provide additional information to the Parliamentary Standing Committee of Public Accounts to inform your consideration of the terms of reference of the Inquiry into the UTAS Financial Position.

Please find attached responses to the questions on notice as requested in your correspondence to the University on 27 August 2024.

We are pleased to confirm our reappearance at the additional public hearing scheduled for 2 October 2024. In attendance from the University for the hearing will be Professor Rufus Black (Vice-Chancellor & President), Alicia Leis (Deputy Chancellor & Chair of the University Council's Audit and Risk Committee), Craig Barling (Deputy Vice-Chancellor Student Services and Operations), Ben Rose (Chief Financial Officer) and Jane Beaumont (General Counsel).

Since attending the August hearing, we have received further information from the Australian Government relating to international student policy and confirming the introduction of a National Planning Level and individual student limits for universities, proposed to take effect from 1 January 2025 subject to the passage of legislation which is before the Australian Senate. We will provide a short pre-read pack prior to our reappearance to update the Committee on these developments in international student policy settings.

We would welcome your guidance on topics of interest to the Committee in advance of the additional hearing, to ensure we are able to provide comprehensive responses and accompanying data during the proceedings.

Please contact my office via [Vice.Chancellor@utas.edu.au](mailto:Vice.Chancellor@utas.edu.au) if you have any additional questions or guidance as to what you would like to focus on for the hearing on 2 October 2024.

Yours sincerely



**Professor Rufus Black**  
Vice-Chancellor

13 September 2024

Office of the Vice-Chancellor

## Inquiry into the UTAS Financial Position - University of Tasmania responses to Questions on Notice, September 2024.

### Supplementary: Information on Visa Processing and Evidence Level ratings

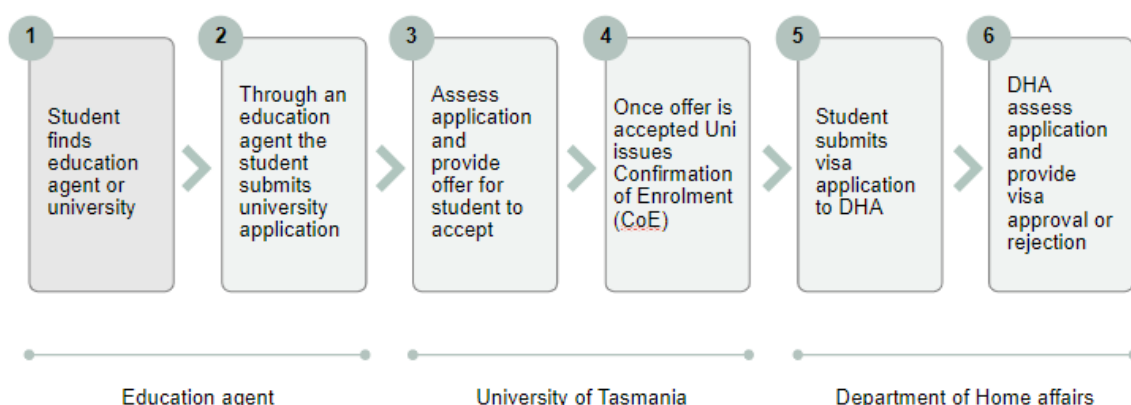
*The following information has been prepared as supplementary background to the University's responses for Questions 1 and 2, relating to international student numbers and visa risk ratings. This summary provides an overview on visa processing and evidence level ratings for international students and education providers in Australia.*

Australia's international education system involves multiple stakeholders working together to maintain integrity and quality of the system. The Department of Home Affairs regulates the visa system for international students, ensuring that only genuine students are granted temporary visas for study purposes. The Department of Education and Training oversees the quality of international education through the Education Services for Overseas Students (ESOS) framework, which sets out the legislative requirements for education providers. Australian universities, working within these systems and frameworks, maintain course entry requirements for international students, deliver high quality education, and engage with global and local partners to ensure a positive learning and campus experience for students.

Figure 1 outlines the procedure for recruiting international students at Australian universities. Once a student applies to study, the university assesses the application and, if successful, issues a Confirmation of Enrolment (CoE). After obtaining the CoE, the student proceeds to apply for a visa through the Department of Home Affairs, which then either approves or rejects the visa request based on an assessment of the applicant's genuineness and student quality.

This process works well when universities understand how the Department determines whether to approve or reject applicants. If the international education system is working at its most efficient, universities would issue CoEs to students who are most likely to receive visa approval.

*Figure 1: International student recruitment process*



In December 2023 the former Minister for Home Affairs, Clare O'Neill, announced a new Migration Strategy for Australia aimed at addressing major challenges in Australia's migration system and strategies to reduce the national level of temporary migration.

This included the introduction of Ministerial Direction 107, prioritising the processing of student visa applications based on the evidence level of the education provider. This has resulted in an increase in visa rejections for international students at many Australian universities, a clear sign Australia's international education system is not working efficiently.

The Student Visa System operates under the Simplified Student Visa Framework (SSVF), administered by the Department of Home Affairs. The SSVF uses an immigration risk framework to determine the level of evidence required for visa applications, and risk ratings are assigned to education providers based on factors like the rate of visa cancellations, fraud rates, and the nationality of students they enrol.

The evidence level framework used for visa processing imposes more stringent requirements on students and education providers at Evidence Level 2 (EL2) and Evidence Level 3 (EL3), than those at Evidence Level 1 (EL1). The framework does not account for the varying levels of risk associated with different countries and education providers, resulting in a one-size-fits-all approach that disproportionately impacts on regional universities and those with smaller numbers and more diverse cohorts of international students. The complexity of the framework increases administrative burdens for both universities and students, leading to delays and system inefficiencies.

While the SSVF was fit for purpose pre-pandemic, under the new Australian visa settings the institutions with large volumes of 'low risk' students can chase further growth in higher risk markets without risk of reducing their tier and prioritisation of their visa processing. This has led to the current state of international student migration in Australia, with a small number of universities dominating the market for high quality international students and significant concentrations of international students living in and around metropolitan locations.

In August 2024 the Australian Department of Education announced plans to implement limits on new overseas student commencements for the higher education sector (subject to the passage of legislation). This will involve a total National Planning Level across both higher education and vocational education and training sectors, to manage the growth of international student numbers in Australia. Additionally, individual education providers will be assigned individual student limits, proposed to take effect from 1 January 2025.

Under this proposed legislation, the University of Tasmania has been assigned a limit of 2,200 international student commencements for 2025, up from 1,746 in 2023. Positively, this brings the university back to 2019 international student levels, however rebuilding student numbers to this level will take time, and achieving this growth will rely on improvements to the current visa processing system.

While the Australian Government has committed to removing Ministerial Direction 107, this does not guarantee implementation of a more suitable mechanism for visa processing to replace the problematic and complex evidence level framework.

This current system is resulting in a poor experience for applicants from higher risk countries, reputational harm to Australia's international education brand, and will not support the objective of a managed and more equally distributed international education sector.

**Question 1: How many student visa refusals has UTAS had in the past two years (i.e., comparing UTAS dropping from the EL2 to EL3 rating)?**

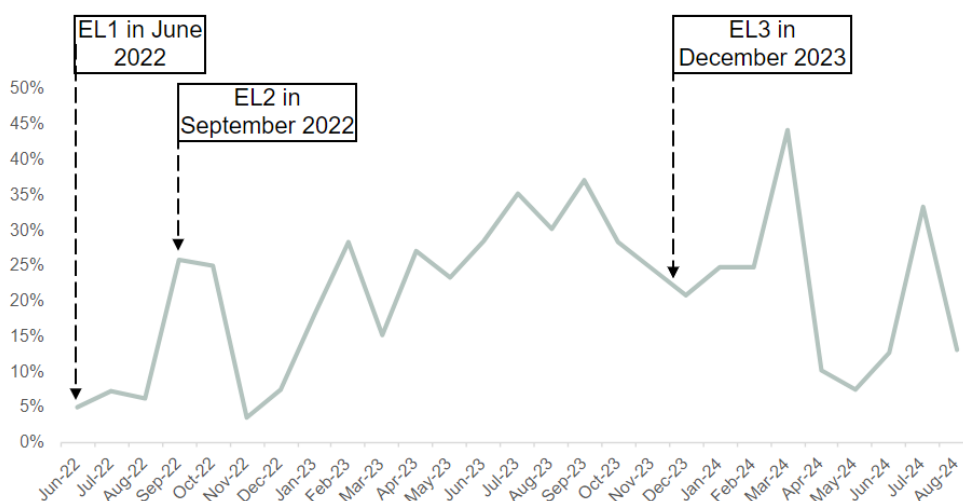
The Department of Home Affairs provide monthly rolling reports to education providers detailing visa applications, cancellations and rejections for the previous 12-month period.

For the 12-month period from July 2022 to June 2023, the University of Tasmania had 3,515 total applications and 681 of these were rejected (19.38% rejection rate). During this period, the University's risk rating was at EL1 for 2 months and EL2 for 10 months.

In the following 12-month period, from July 2023 to June 2024 we had 2,733 applications and 741 of these were rejected (27.11% rejection rate). During this period, the University's risk rating was at EL2 for 5 months and EL3 for 7 months.

Using the 12 month rolling reports we have estimated the monthly rejection rate for the University of Tasmania, and this is shown in Figure 2 alongside the changes to our visa risk rating Evidence Levels. In analysing the monthly rejection rate alongside changes to our Evidence Level rating, we have observed that the change in Evidence Level rating doesn't necessarily result in a measured increase in visa rejections – demonstrating the complexity of the current visa processing system.

*Figure 2: Estimated Monthly Rejection Rates Over Time, June 2022 – August 2024*



While the December 2023 move to EL3 is not ideal, it was a direct strategic choice made during a very challenging international recruitment sector, aimed at ensuring the University of Tasmania continued to deliver on its mission in that setting.

The University is responsible for 20% of Tasmania's migration through our international recruitment activities. This is a critical role we play in helping attract the right skills and capability for the State with our declining population base. Our choice was between reducing our recruiting efforts to retain EL2 and reduce the inflow of students into Tasmania, or accepting the risks associated with moving to EL3 to continue attracting the capability our state needs. The role we play for Tasmania, linked directly to our mission, was critical to this decision.

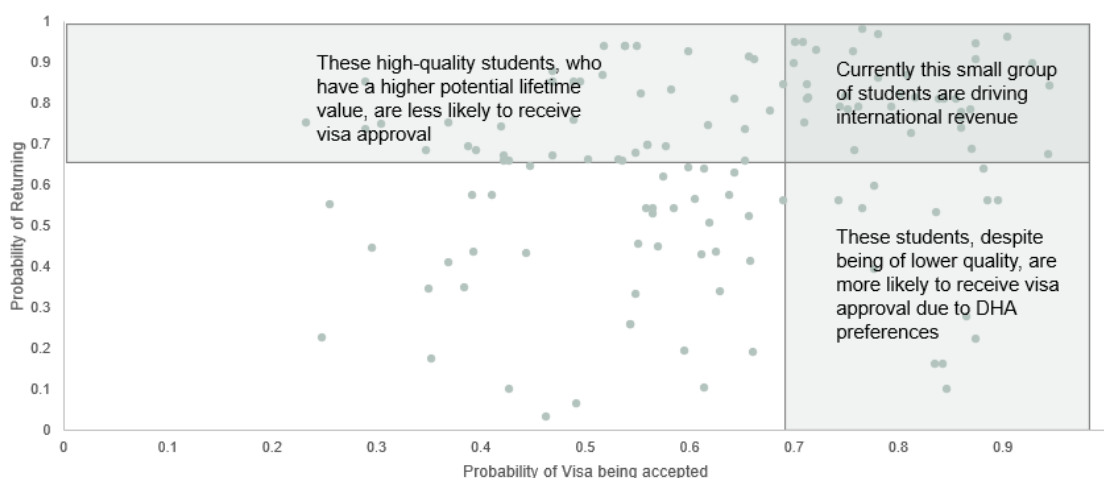
Unfortunately, the slowdown in processing times introduced as part of Ministerial Direction 107 for EL3 providers in December 2023 was not known when the strategic decision was made. Now we are experiencing the inefficiencies of the current system we are aiming to return to EL2 in the coming months.

As a strategy to maintain a sustainable level of international students and manage our institution back to an EL2 rating, we have sought to understand and predict visa decisions to issue offers only to applicants likely to be accepted by the Department. Our analysis has identified that the Department's visa processing system does not consistently approve high-quality applicants with a high likelihood of returning for a second semester.

The data modelled in Figure 3 demonstrates that applicants that have features statistically correlated to visa approvals are frequently misaligned to applicants identified as students with demographics that are associated with high likelihood of returning.

The group of applicants who are receiving visa approvals and driving international revenue are only a small portion of the total high-quality applicants we have identified. However, the lower quality applicants we have identified with a lower probability of returning for a second semester, are more likely to receive visa approvals from the Department.

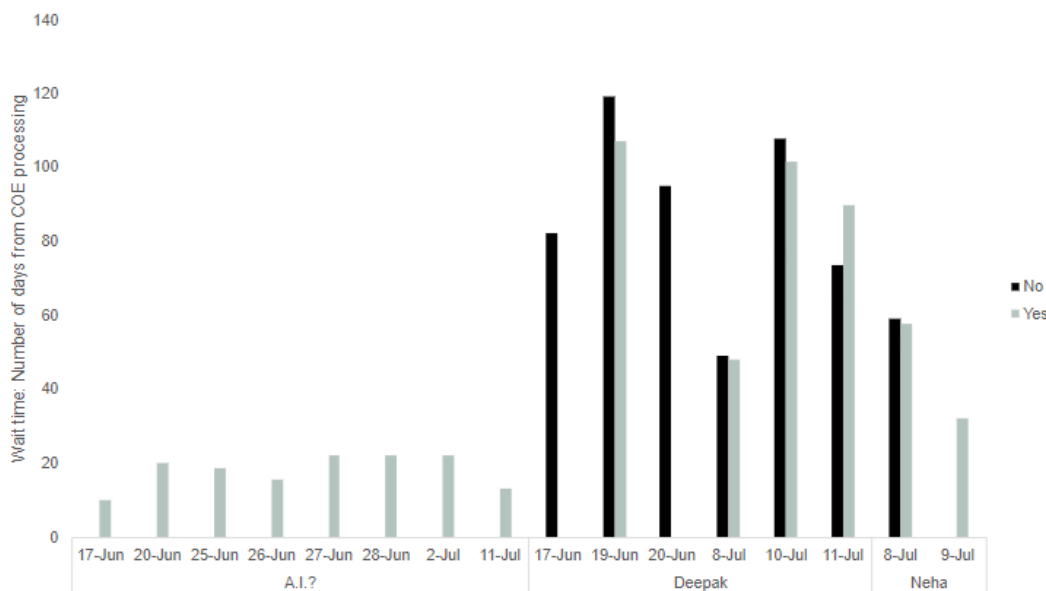
*Figure 3: Example estimated probability of visa being accepted and returning for a second semester for selected students from high-risk countries*



Source: Based on model estimates from PRISMS, International Applications Pipeline and Course Enrolments

The visibility we have into current processing practices also reveals a concerning trend: large batches are often processed on a single day by a single official. This is demonstrated in Figure 4 over a 3-week period during June and July 2024. This approach is seemingly driven by targets or quotas rather than quality assessments of individual applicants. The pressure to meet such targets significantly diminishes the likelihood of sound decision-making and can lead to rushed evaluations where the quality of decisions is compromised for the sake of managing quantity of visa approvals.

*Figure 4: Processing times vs decision date based on Bangladesh and Nepal decision letters received between 9th April- 11th July by visa officer*



[PRISMS \(education.gov.au\)](https://education.gov.au/PRISMS)

Universities with EL2 and EL3 ratings are experiencing slower visa processing and higher visa refusals than EL1 rated institutions, which makes it challenging for these universities to improve their risk rating level under the current inconsistent and complex system. Despite focussed and sustained efforts by our university to analyse the visa processing system outputs and adjust our operations and decision-making framework accordingly, we have been unable to improve our evidence level rating or our visa rejection levels over this period.

This reveals a serious misalignment between the visa processing system and the proposed managed market approach, which will require many of the EL2 and EL3 rated universities, including the University of Tasmania, to grow their student enrolments to rebalance the national distribution of international students.

The policy settings proposed under the managed market approach should enable the University of Tasmania to grow international student numbers back to 20% of our total student population over time, which will assist to create an environment where we can more effectively budget and plan our resourcing. We are well positioned to benefit from this policy change to a managed international market, as we have room in our assigned limit to increase enrolments, we have accommodation available (20% occupation availability – 351 beds, and an additional 377 beds available for activation if needed), and we have a strong recruitment pipeline of international students who want to study in Tasmania.

However, the longer the current visa processing settings remain in place, the more challenging, and less likely, it will be for us to enrol to our allocated limit in 2025.

This misalignment is a significant national risk currently being experienced in Canada, where a managed migration system was implemented without complementary changes to visa processing systems, causing international student numbers to drop 40% below the assigned cap limits. Under the current visa processing system, the policy outcomes of the proposed managed market approach for Australia are unlikely to be achieved at a national level.



We are advocating for a new data-driven and transparent approach to visa processing, including a reset of evidence levels, a review of the visa system and a renewed approach for the Department and education providers working in partnership to ensure shared alignment to national priorities.

**Question 2: A copy of the model relied upon by UTAS with respect to the change in student visa refusal risk ratings (with an explainer to assist the Committee).**

At the University of Tasmania, we have sought to understand and predict visa decisions to ensure we issue offers to high quality applicants likely to be accepted by the Department. Our approach has involved using a statistical model to assess which student applicants are likely to be issued a visa based on relationships between factors such as course, agents of the applicants and English-language competency. The model uses past data to predict future outcomes and is used by our university teams as an assessment tool during the process of determining genuine student applicants.

Using this model, we have sought to predict visa decisions to ensure we issue offers to high quality applicants likely to be accepted by the Department. Ideally, this model would identify high-quality applicants who have applied to our university, who are likely to be granted a visa by the Department based on past visa decisions. To identify these students, the model applies characteristics from past visa approvals to current student applications, finds similarities and estimates a likelihood of visa approval to inform our decision making for issuing a Confirmation of Enrolment. Because reasons for visa rejection for individual applicants are not provided by the Department, development of the model has involved testing assumptions about factors for accepting and rejecting visas. While some demographic factors appear to influence visa approval rates, this has not always been consistent when applied to individual cases.

In reviewing individual cases we find examples of seemingly similar applicants who were issued Confirmation of Enrolment from the University of Tasmania and subsequently applied to the Department for student visas receiving inconsistent visa outcomes. Our understanding of the visa processing system anticipated that the applicants with better profiles are more likely to receive a visa approval. These factors include as an example English proficiency, academic background, financial capacity as well as demographic information such as age and country of birth. On review, when considering individual cases side by side, there are students applying from the same country, through the same educational agent with lower academic scores and lower financial capacity getting approved, while a seemingly better applicant with higher academic scores and higher capacity to pay are rejected.

This systematic inconsistency makes it nearly impossible to accurately apply a learning model to identify higher quality students for issuing Confirmation of Enrolments. Without consistency and transparency on how visa decisions are being made by the Department of Home Affairs, we have found the effectiveness of our machine learning model is significantly reduced.

**Question 3: A copy of the written communications between:**

- a. UTAS and the State Treasurer with respect to the green bonds entered into in 2022, and**
- b. UTAS and TASCORP with respect to the treatment of student accommodation leaseback arrangements (concessional asset)**

- a. Correspondence between UTAS and the State Treasurer with respect to the green bonds is available on the Treasury's Right to Information disclosure log, published on 15<sup>th</sup> March 2023. Treasury consulted with the University in assessing this disclosure.

The requested correspondence to the University from the State Treasurer is included within this Disclosure Log on page 178 of 207:

<https://www.treasury.tas.gov.au/Documents/Information%20for%20release%20-%20RTI%20Review%20-%20UTAS.PDF>

The University has also published information relating to the Green Bonds project through the University's Right to Information disclosure log dated 22 December 2023:

[Right to information | University of Tasmania \(utas.edu.au\)](#)

- b. Written communication between TasCorp and the University of Tasmania regarding the student accommodation Agreements is included overleaf. Additionally, a letter from the University's Vice-Chancellor to the Treasurer on 20 June 2017 is included, advising the Treasurer of the intention to pursue a student accommodation transaction and noting our engagement with TasCorp regarding this intention.



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**From:** Jane Beaumont

**Sent:** Thursday, July 8, 2021 6:27 PM

**To:** 'Heath Baker' <[hbaker@tascorp.com.au](mailto:hbaker@tascorp.com.au)>; Jo Willsmore <[jo.willsmore@utas.edu.au](mailto:jo.willsmore@utas.edu.au)>; Jarrod Shaw <[jarrod.shaw@utas.edu.au](mailto:jarrod.shaw@utas.edu.au)>

**Cc:** Anton Voss <[avoss@tascorp.com.au](mailto:avoss@tascorp.com.au)>; Fahim Chowdhury <[fchowdhury@tascorp.com.au](mailto:fchowdhury@tascorp.com.au)>

**Subject:** RE: SIP Borrowing Request

Thanks Heath

I confirm that the Purpose Built Student Accommodation Agreements (PBSA Agreements) do not provide for any securitisation arrangements over any UTAS owned assets, cash or forward revenues. The counter party to the PBSA Agreements (DIF through transaction companies owned and controlled by DIF) has a contractual right to revenue streams but does not hold security/collateral over the revenue stream. DIF also have contractual protections from UTAS granting any security interest without its consent. I have set out below a summary on how the PBSA Agreements deal with security and a separate overview of the PBSA Agreements.

**Prohibition on securitisation under the PBSA Agreement**

1. The PBSA Agreement expressly prohibits UTAS from:
  - a. creating, allowing to exist or agreeing to any Security Interest in or over the Transaction Account (or its right to payment under Student Occupancy Agreements), except as otherwise agreed in writing by the Transaction Parties...
  - b. granting a Security Interest over or otherwise disposing of any benefit right or interest under the Transaction Documents without prior written consent.
  - c. NB "Security Interest" includes a mortgage, pledge, lien, charge, restriction over property or any other interest or arrangement that secures payment of money or performance of an obligation or gives a creditor priority over unsecured creditors in relation to any property.
  - d. UTAS cannot agree to a security over any PBSA assets (real property or the transaction account) or any funds payable by UTAS in relation to any transactions contemplated under the PBSA Agreement.

**Overview of PBSA Agreement:**

1. **The deal:** DIF paid a lump sum upfront amount to UTAS in return for the right to receive Annual Net Revenue Amounts (comprising predominantly student rents) for a 30 year period, for the majority of the University's student accommodation residences.
2. **Transaction Parties risk**
  - a. In general, all risk relating to occupancy levels is assumed by the Transaction Company – UTAS does not give any occupancy guarantee or occupancy support.
  - b. In general, all risk arising out of the student accommodation buildings, include

- structures, systems, plant and equipment is assumed by the Transaction Company.
- c. The Transaction Company takes on financing risk.

**3. University risk**

- a. The key risk UTAS takes on is that it hands over a certain amount of control to DIF in relation to use of the assets.
- b. UTAS cannot build, develop or facilitate other student accommodation during the term without DIF being offered the right to do so (ie limiting the University's rights to independently develop student accommodation outside the transaction).
- c. Termination Payment – if the PBSA Agreement is terminated in certain circumstances, then the University may be liable to pay a termination payment to DIF. There is a detailed termination payment formula depending on how the termination has arisen. If the termination is as a result of the University's default or voluntary election, the termination payment includes a requirement to pay out an amount equal to the Senior Debt plus a number of other calculations. *[NB there are different calculations for termination as a result of DIF action/omission].*
4. **Flow of funds** - UTAS receives student rents from students directly, UTAS removes the operating amount (ie to cover all expenses) the balance goes to DIF.

This means that the PBSA Agreements do not fall within scope of either the specific security deed for \$150M security interest in managed funds) nor the MFLA (noting UTAS has not reviewed the proposed TasCorp MFLA) and are irrelevant for the purposes of priority of interest.

Always happy to discuss further or provide further details.

**Jane Beaumont**

General Counsel and Executive Director Legal and Risk  
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**From:** Heath Baker <[hbaker@tascorp.com.au](mailto:hbaker@tascorp.com.au)>  
**Sent:** Tuesday, 6 July 2021 10:36 AM  
**To:** Jo Willsmore <[jo.willsmore@utas.edu.au](mailto:jo.willsmore@utas.edu.au)>; Jane Beaumont <[jane.beaumont@utas.edu.au](mailto:jane.beaumont@utas.edu.au)>; Jarrod Shaw <[jarrod.shaw@utas.edu.au](mailto:jarrod.shaw@utas.edu.au)>  
**Cc:** Anton Voss <[avoss@tascorp.com.au](mailto:avoss@tascorp.com.au)>; Fahim Chowdhury <[fchowdhury@tascorp.com.au](mailto:fchowdhury@tascorp.com.au)>  
**Subject:** SIP Borrowing Request

Good morning Jo, Jane & Jarrod,

As per phone discussions between David and Anton last week I can confirm that the TASCORP

Board did not approve lending the additional \$200 million for the SIP at its 30 June meeting but rather requested management seek clarification and external advice on a couple of matters. The requests are in relation to the proposed security package, which are in hand, but one we will require confirmation from the University itself. That being:

- Confirmation in writing from the University's General Counsel that the securitisation arrangements of the student accommodation do not and will not have priority over TASCORP's security interest


Once we have the required information the TACORP Board have agreed to reconsider its position, out of session if required.

Thanks & regards

*Heath Baker  
Head of Financial Markets & Client Services  
Tasmanian Public Finance Corporation  
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Phone: (03) 8396 1231  
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The Hon Peter Gutwein  
Treasurer  
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Dear Treasurer

I am writing to you in relation to the University of Tasmania's current borrowings in place with TasCorp. The loan facility was established to support the construction of student accommodation by the University under the National Rental Affordability Scheme (NRAS) and was approved by you on 15 February 2013.

As you would be aware, the University has completed four NRAS student accommodation dwellings at Newnham, Burnie, Inveresk and most recently, Melville St in Hobart. As such, it has used the funds for the purposes under which the borrowings were intended.

As part of its capital management strategy, the University is pursuing a transaction to partner with an investor for a 30-year licence to its student accommodation assets. This will involve the bringing forward of future rental cash-flows in a single up-front payment to the University, with an experienced consortia taking over responsibility for maintaining and refurbishing the assets to a required standard over the licence period. The University retains ownership of the student accommodation assets.

As you would be aware, under the *University of Tasmania Act 1992*, the Treasurer must approve any borrowings undertaken by the University and the University is expected to advise Treasury if it anticipates any change in required borrowings.

In light of the transaction, I am writing to advise you of the change in the University's capital strategy and its intention to retain its borrowing facility with TasCorp. The University intends to use the proceeds of the transaction to support its strategic plans and enable the repayment of the existing facility when it falls due in 2023. The University has provided TasCorp with financial projections and information and has also met with senior Treasury staff to discuss its plans.

Should there be any queries in relation to this matter, please contact Mr David Clerk on (03) 6226 1848 or email: [david.clerk@utas.edu.au](mailto:david.clerk@utas.edu.au).

Yours sincerely



Professor Peter Rathjen  
Vice-Chancellor

20 June 2017

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**Question 4: With respect to the employee related expenses identified on page 93 of the 2023 Annual Report, more details that lie behind the figures (e.g., back pay, redundancies etc).**

The other employee related expenses listed on page 93 of the University's 2023 Annual Report total \$3.155M for Academic and \$6.483M for Non-Academic. The increase in these items relate to redundancy costs resulting from the divisional professional senior leadership restructuring program undertaken in the first half of 2023.

There are no amounts related to historic payment shortfalls included within these figures.

**Question 5: A breakdown of the categories of staff under the non-academic banner (e.g., managerial, administrative etc.)**

The University of Tasmania currently employs 1,753 professional staff members working across the organisation. Table 1 groups professional staff numbers by occupational classification, provides a definition for each category and a list of University of Tasmania employee positions under each category.

The categories and definitions used for occupational classification are aligned to the Workplace Gender Equality Agency (WGEA) reporting requirements as a standardised data reporting method used in Australia. The WGEA Classifications use a standardised grouping of classifications known as the ANZSCO - Australian and New Zealand Standard Classification of Occupations.

*Table 1: University of Tasmania Professional Staff Numbers, August 2024*

WGEA Classifications	Number of Staff	% of Total	WGEA Definition	University of Tasmania example positions
Professionals	856	49%	Perform analytical, conceptual and creative tasks through the application of theoretical knowledge and experience in the fields of the arts, media, business, design, engineering, the physical and life sciences, transport, education, health, information and communication technology, the law, social sciences and social welfare.	Academic Developer Accessibility Advisor Clinical Trial Coordinator Coordinator, Admissions Administration Counsellor Curriculum Analyst Educational Designer/Technologist Fieldwork Coordinator PASS Program Team Leader Student Adviser



Clerical and Administrative	460	26%	Provide support to managers, professionals and organisations by organising, storing, manipulating and retrieving information.	Admissions Officer Academic Scheduling Officer Administration Officer Executive Assistant Library Officer Research Officer Student Enquiries Officer
Managers	256	15%	Managers plan, organise, direct, control, coordinate and review the operations of government, commercial, agricultural, industrial, non-profit and other organisations, and departments	Course and Curriculum Manager Director, Student Enrolment Transformation Executive Director, Student Services Head, Student Engagement Manager Student Counselling and Wellbeing Manager Graduate Research Principal, Australian Maritime College Pro Vice-Chancellor, Academic Success & Student Equity and Success
Technicians and Trades	181	10%	Perform a variety of skilled tasks, applying broad or in-depth technical, trade or industry-specific knowledge, often in support of scientific, engineering, building and manufacturing activities.	Facilities Technical Officer Field Technician Laboratory Technician Research Assistant Technical Officer/Senior Technical Officer
<b>Total</b>	<b>1753</b>			



**Question 6: The composition of UTAS staff (i.e., academic vs non-academic over the past 10 years) and where UTAS sees the projected balance into the future.**

While the composition and number of employees has fluctuated over time dependent on institutional need, the ratio of professional to academic FTE has held fairly consistent over the 10 year period. Table 2 details FTE and the ratio of Professional (Non-Academic) staff to Academic staff from 2013 to 2023. The average ratio over this period is 1.26 – i.e. for every 1 academic FTE there is approximately 1.26 professional FTE.

*Table 2: Ratio of Professional to Academic FTE, 2013 - 2023*

<b>Professional FTE : Academic FTE</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Professional - Full time equivalent staff (FTE) <sup>1</sup>	1,473	1,556	1,516	1,540	1,572	1,658	1,713	1,632	1,590	1,667	1,682
Academic - Full time equivalent staff (FTE) <sup>1</sup>	1,168	1,196	1,214	1,252	1,249	1,264	1,308	1,335	1,306	1,309	1,318
<b>Professional FTE : Academic FTE</b>	<b>1.26</b>	<b>1.30</b>	<b>1.25</b>	<b>1.23</b>	<b>1.26</b>	<b>1.31</b>	<b>1.31</b>	<b>1.22</b>	<b>1.22</b>	<b>1.27</b>	<b>1.28</b>

<sup>1</sup> Includes all Operating, Research & Institutes and casuals

The most recent sector data available from the Department of Education's Selected Higher Education Statistics - Staff Data, places the University of Tasmania's ratio of Professional to Academic FTE equal to the sector average

Future projected balance of staff composition at the University will consider our relative size within the sector and balance staff composition with financial sustainability. The current economic environment in which the University operates is a challenging one, and external factors such as visa settings and the impact on international student numbers, and national higher education policy and funding changes, will continue to heavily influence our operating environment. We continue to advocate strongly for adjustments to Australia's visa processing system to enable all universities to fully meet their assigned international student limits, and for the sector reforms recommended by the Australian Universities Accord to be implemented.

**Question 7: The ratio of full-time equivalent staff to full-time equivalent students over the past 10 years.**

Table 3 provides the ratio of full-time equivalent staff (FTE) to full-time equivalent students (EFTSL) from 2013 to 2023. The ratio over the reporting period has varied slightly, with an average EFTSL:FTE ratio of 6.69, meaning for every 1 FTE staff there are 6.69 student EFTSL.

*Table 3: Ratio of to Student EFTSL to Staff FTE, 2013 – 2023.*

<b>EFTSL : FTE</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Full time equivalent staff (FTE) <sup>1</sup>	2,641	2,750	2,730	2,792	2,821	2,922	3,021	2,966	2,895	2,975	2,999
Full time equivalent students (EFTSL) <sup>2</sup>	17,251	17,993	18,834	20,090	20,834	20,251	20,727	22,608	20,006	18,001	16,920
<b>EFTSL : FTE</b>	<b>6.5</b>	<b>6.5</b>	<b>6.9</b>	<b>7.2</b>	<b>7.4</b>	<b>6.9</b>	<b>6.9</b>	<b>7.6</b>	<b>6.9</b>	<b>6.1</b>	<b>5.6</b>

<sup>1</sup> Includes all Operating, Research & Institutes and casuals

<sup>2</sup> Excludes off-shore

This data set includes all professional and academic staff, and is not typically used as a sector comparison. All Australian universities measure and report staff to student ratios to the Department of Education, calculated as Student EFTSL to Academic FTE ratio (i.e. excluding professional and non-academic staff members). To enable an accurate sector comparison, this data for the University of Tasmania is provided in Table 4 over the previous 10-year period.

Table 4: Ratio of student EFTSL to Academic FTE, 2013 – 2023.

<b>EFTSL : Academic FTE</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Academic - Full time equivalent staff (FTE) <sup>1</sup>	1,168	1,196	1,214	1,252	1,249	1,264	1,308	1,335	1,306	1,309	1,318
Full time equivalent students (EFTSL) <sup>2</sup>	17,251	17,993	18,834	20,090	20,834	20,251	20,727	22,608	20,006	18,001	16,920
<b>EFTSL : Academic FTE</b>	<b>14.8</b>	<b>15.0</b>	<b>15.5</b>	<b>16.1</b>	<b>16.7</b>	<b>16.0</b>	<b>15.8</b>	<b>16.9</b>	<b>15.3</b>	<b>13.8</b>	<b>12.8</b>

<sup>1</sup> Includes all Operating, Research & Institutes and casuals

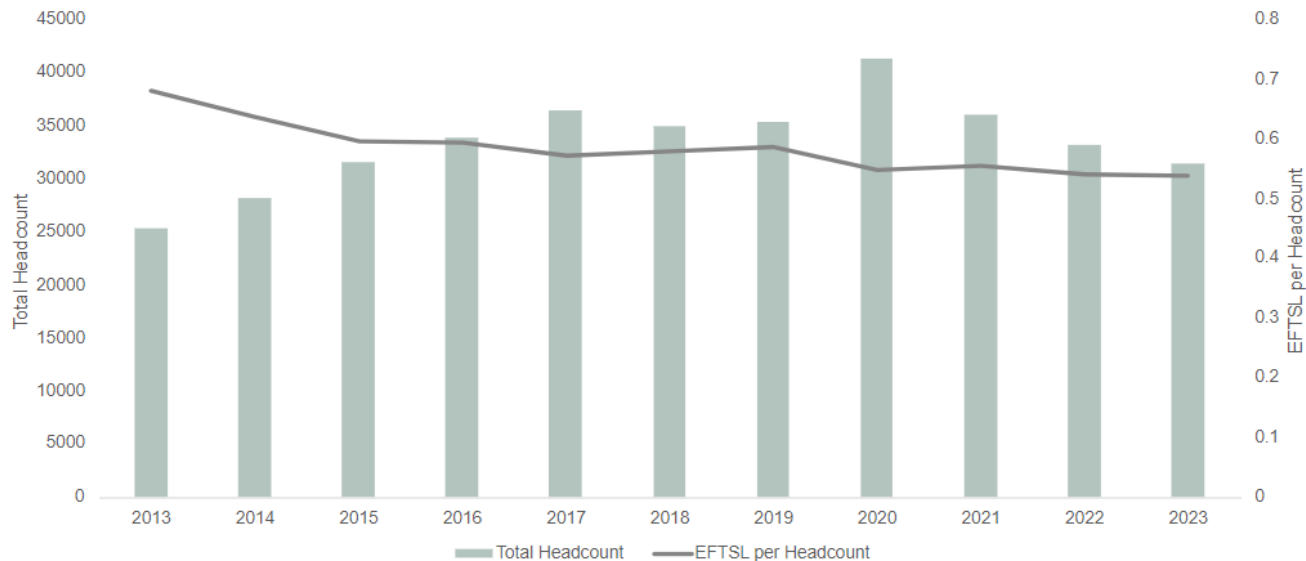
<sup>2</sup> Excludes off-shore

The average ratio for the University of Tasmania over this period is 15.3, meaning for every 1 FTE academic staff there are 15.3 student EFTSL which is roughly in line with the sector average. The reduction in the University's ratio since the pandemic to 12.8 in 2023 puts us about 15% below the sector average.

This position relative to the sector has been consistent for the University of Tasmania for many years, which reflects our need to deliver courses and learning for the regions of Tasmania. Courses and units offered in regions often have fewer students per unit, resulting in an impact to our overall ratio compared to the sector, where large classes delivered in single metropolitan locations are the norm.

Additionally, over the period 2013 to 2023 the study patterns of University of Tasmania students has changed significantly, due to the higher levels of regional students, adult learners, and low SES students the university attracts. Figure 5 maps University of Tasmania student headcount (ie. Total number of students enrolled) against the EFTSL per headcount for this period.

*Figure 5: University of Tasmania student headcount and EFTSL per headcount, 2013 – 2023*



UTAS Unit EFTSL Tables, 2013 – 2023, UTAS EDW, Values are at EOY.

Over this period there has been gradual growth in student numbers, including a peak in 2020 because of the Higher Education Relief (HER) Package, an initiative from the Federal Government to support skills development and training for Australians during the Covid-19 pandemic. During the reporting period, the EFTSL per student headcount has been in decline, reflecting the study patterns of our university's student cohort who tend to study fewer units at a time while they balance work and life commitments alongside study. The decline in EFTSL per headcount is important context for the University of Tasmania's financial situation, because individual students require the same level of supports (including academic and other support services) regardless of whether they study full time or part time. While the total headcount is increasing, therefore requiring increasing provision of support services, the EFTSL (which is the basis for university funding), has been decreasing slightly. It is important to continually monitor and understand how our student profile and their study patterns are changing, to ensure that this context is considered in relation to our financial position and decision making.

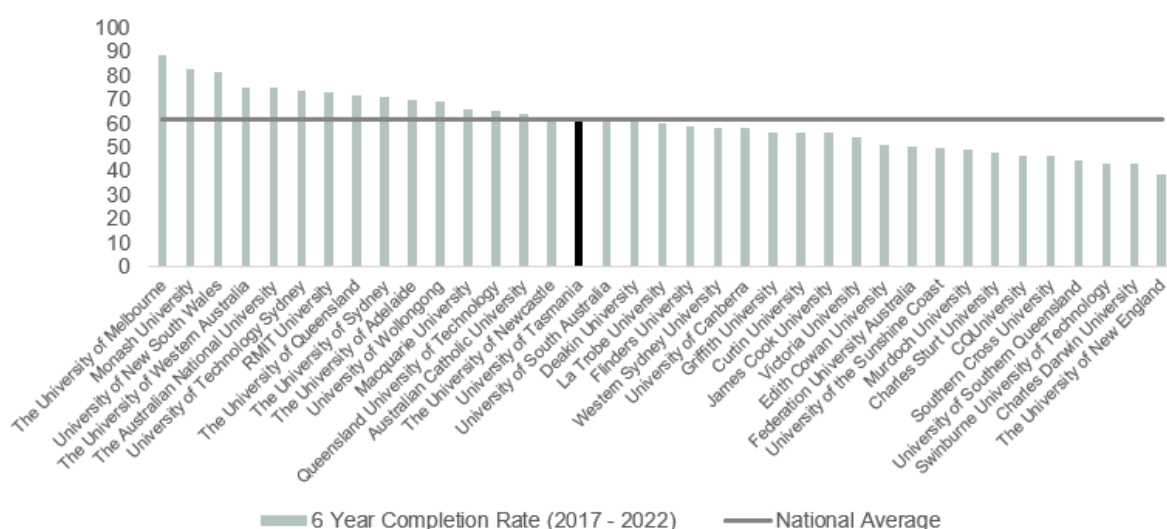
While challenging financially, our lower than sector EFTSL to Academic FTE ratio is positive for student experience, and an expected outcome of our commitment to regional course delivery. The University of Tasmania has a long-term commitment to improving educational access for regional students across Tasmania. This is critical for our state – educational outcomes in Tasmania are disproportionately lower than the rest of the country, and only 21.9% of Tasmania's population have a university degree compared with 26.3% nationally. This disparity is more pronounced in the north of the state, dropping to 18.5% for the Launceston/North East Area, and 12.8% in the West/North West Area. To increase educational attainment rates in Tasmania, consistent with the aspirations outlined in the Australian Universities Accord Report, we need to improve access to education for more of our regional and low SES population.

To improve access to education for people in Tasmania, in 2017 the University partnered with Federal, State and Local Governments to invest in regional campuses at West Park in Burnie and Inveresk in Launceston. This partnership reflects the shared understanding that these campus relocations will deliver improvements to educational aspiration and attainment in northern Tasmania. The regionality of the campuses results in smaller class sizes than larger metropolitan universities, contributing to our lower than sector average EFTSL to Academic FTE. While the costs of regional delivery are material, the benefits from providing a broad range of courses at these regional campuses are far greater and strongly align with our University's mission. By investing in the facilities and academic teaching staff to deliver a broad range of courses regionally, we are improving access to education for students from regional and low SES backgrounds, many of which are the first in their family to attend university.

**Question 8: The retention and the completion/attainment of all students broken down by category (e.g., international, domestic Tasmanian and domestic interstate) and by socio-economic status quartile.**

University completion rates for Australian universities are measured over a 6-year period to account for diverse study patterns of students such as part-time study. Measuring the 6-year completion rate across the sector for bachelor's degrees, the University of Tasmania's completion rate for all student cohorts is 62.1% which is consistent with the national average (refer to Figure 6).

*Figure 6: Domestic bachelor 6-year completion rate, 2017 – 2022*



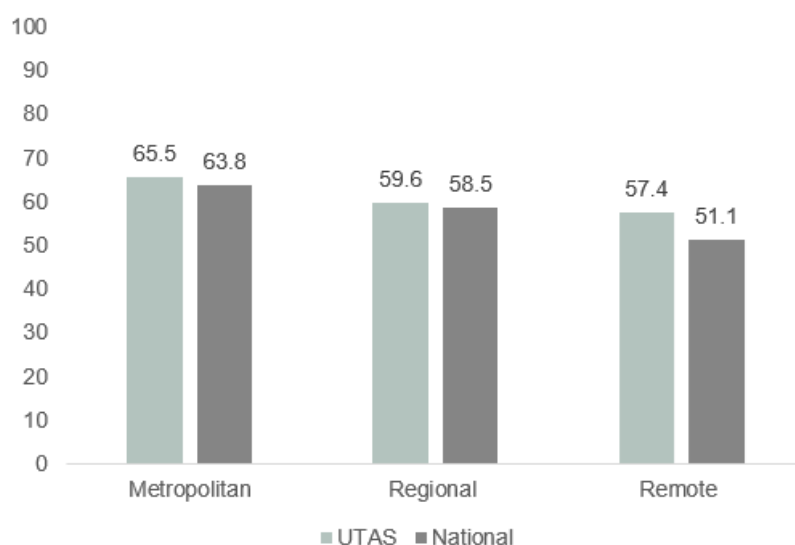
Selected Higher Education Statistics – 2022 Student data, Department of Education  
<https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2022-student-data>

The Bachelor's completion rate for University of Tasmania's Tasmanian Students is 60.1%, while our interstate students having a slightly lower completion rate at 59.0%, which reflects the large proportion of online students in that cohort who historically have lower completion rates than those on campus. For International students, the University of Tasmania's Bachelor completion rate is above the sector average for international students – 83.2% compared to 78.7%.

Variance in completion rates is closely linked to demographic factors such as low SES, adult learners, distance learners, part-time students, and regional students. Given the large proportion of students at the University of Tasmania in one or more of these groups, maintaining at or above the national sector average rate highlights the effectiveness of our student support and retention strategies.

At the University of Tasmania, 60% of our students live in regional or remote areas, compared to the sector average of 19%. National data indicates that students from these areas generally have lower 6-year completion rates. However, our regional and remote students perform above the national average, demonstrating a less severe correlation between location and completion rates than the sector (refer to Figure 7).

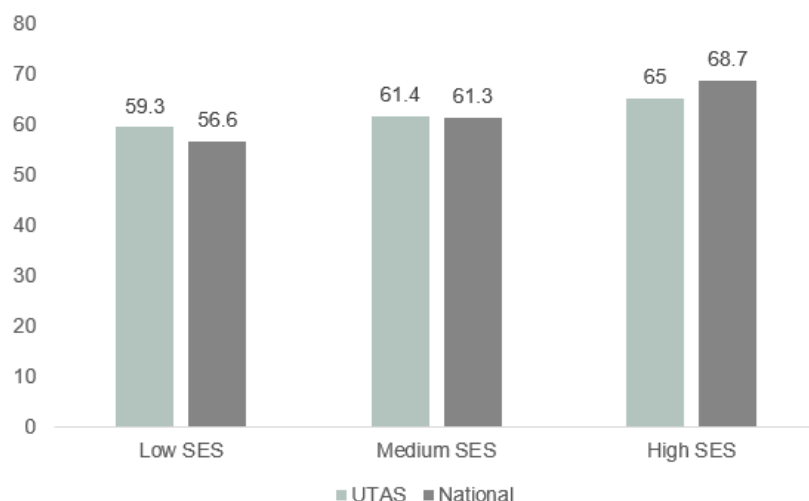
*Figure 7: National 6 year completion rate by regionality, 2016*



Selected Higher Education Statistics – 2021 Student data, Department of Education  
<https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2021-student-data>

Similarly, the University of Tasmania enrolls a higher proportion of low SES students compared to the national average - 26% of the total student cohort are low SES versus the 16% national figure. For the Tasmanian based cohort of students, the percentage of low SES is higher again - 34.3%. Despite these above-average rates of low SES students, their completion rate is again higher than the sector average for low SES students (see Figure 8).

*Figure 8: National and UTAS 6 year completion rate of Bachelor students by SES status, 2016 (Domestic Students)*



Selected Higher Education Statistics – 2021 Student data, Department of Education  
<https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2021-student-data>

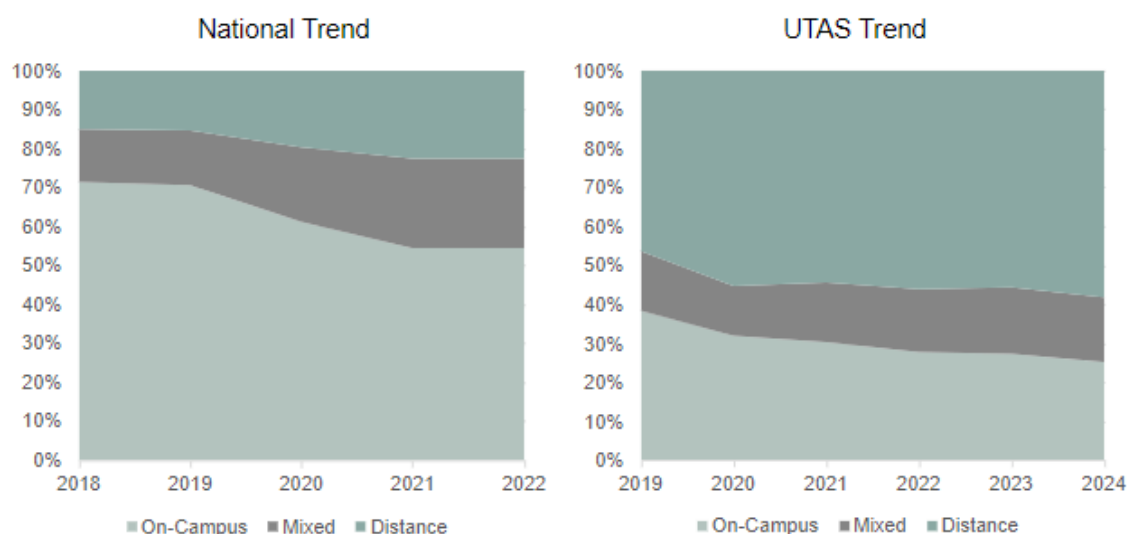


**Question 9: Trend data on the number of on-line students studying at UTAS over time.**

At the University of Tasmania, we offer a breadth of courses delivered on campus, in mixed mode, and distance (online). This range of delivery options aligns with our mission to improve access to education, recognising that not everyone is able to relocate for study, and many require flexible study options. Over half of the domestic students enrolled at the University of Tasmania are aged over 30, many are balancing work and life commitments with study and need flexibility in course delivery. This is consistent with the study patterns we observe in our online student cohort, who tend to study part time – at less than half the unit load of an on-campus student.

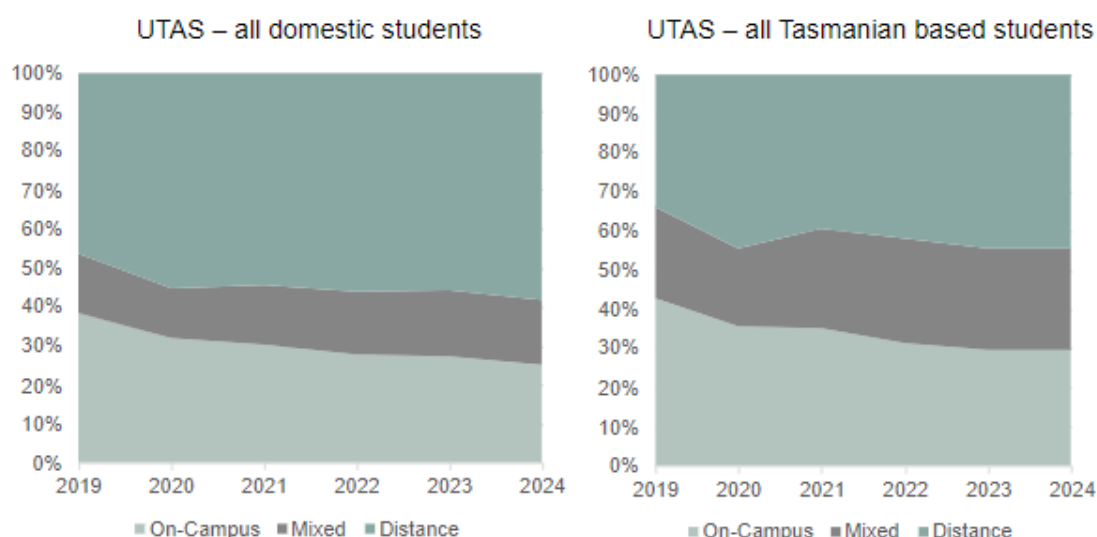
The University of Tasmania has a higher proportion of students studying by distance and mixed mode, compared to the national trend - as shown in Figure 9. For University of Tasmania students who live in Tasmania, the proportion of students studying by distance is much lower than the total student cohort (refer to Figure 10).

*Figure 9: Proportion of enrolments by mode of attendance, all UTAS Students and National, 2018 – 2024*



HEIMS Course Enrolment Tables, 2018 – 2022 and UTAS Course Enrolment Tables 2019 – 2024.

*Figure 10: Proportion of enrolments by mode of attendance, UTAS all domestic and UTAS Tasmanian based students, 2019 – 2024*



HEIMS Course Enrolment Tables, 2018 – 2022 and UTAS Course Enrolment Tables 2019 – 2024.

The University of Tasmania teaches a large number of interstate students through online delivery, resulting in a higher proportion of distance students compared to the sector average.

Given our unique context in Tasmania, where we have smaller populations who participate in university study at lower rates than national averages, we have needed to generate growth in the online interstate market to provide the financial capability to deliver teaching within Tasmania. As noted in our response to Question 7, our regional delivery model at our Tasmanian campuses results in smaller class sizes, higher (and more costly) academic FTE to student EFTSL ratios, and continued investment in maintaining smaller, regionally distributed campuses.

Without the scale from the national marketplace our online offerings provide, ongoing regional delivery of a breadth of courses in Tasmania would not be financially viable.

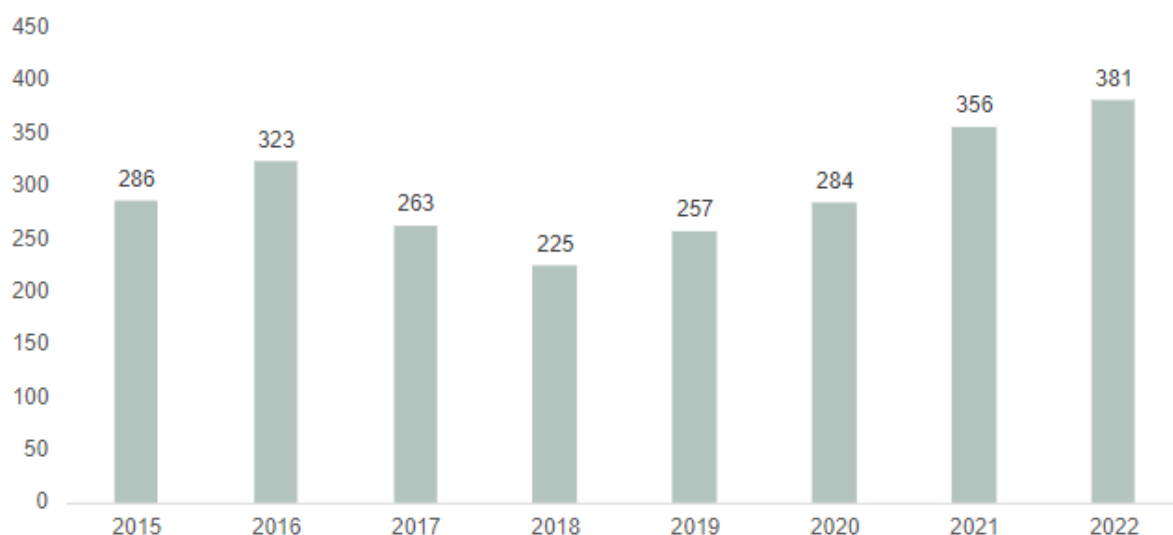
**Question 10: Any data on potential students who leave Tasmania to study elsewhere and subsequently come back to UTAS.**

At present there is no national data set available to track individual student or prospective student movements and study patterns over time.

Analysis has been prepared on interstate year 12 leavers commencing on-campus study in Tasmania and Tasmanian year 12 leavers commencing on-campus study interstate, to determine the net flows of year 12 leavers to and from Tasmania for study purposes.

The number of interstate Year 12 students commencing study on-campus at the University of Tasmania has increased by 33.2% between 2015 and 2022 (refer to Figure 11).

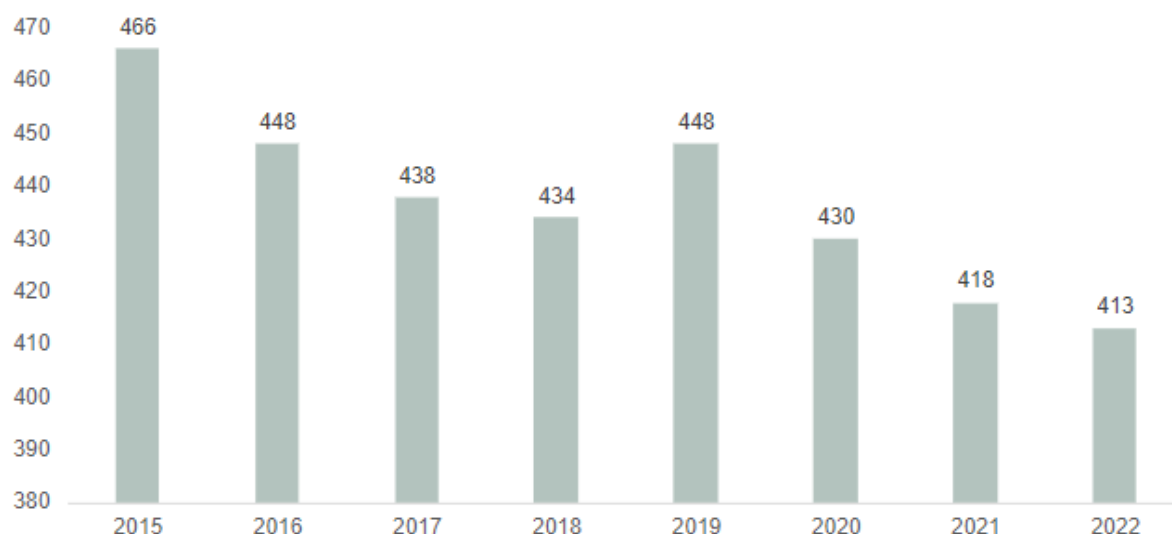
*Figure 11: Number of interstate year 12 leavers commencing study at UTAS, 2015 – 2022*



HEIMS National Course Enrolments. Year 12 Leaver Defined as a student who is under the age of 20 at commencement of course. Commencing Domestic Students only.

Additionally, over this period the number of Tasmanian Year 12 leavers moving interstate to commence on-campus study at mainland universities has decreased by 11.4% between 2015 and 2022 (refer to Figure 12).

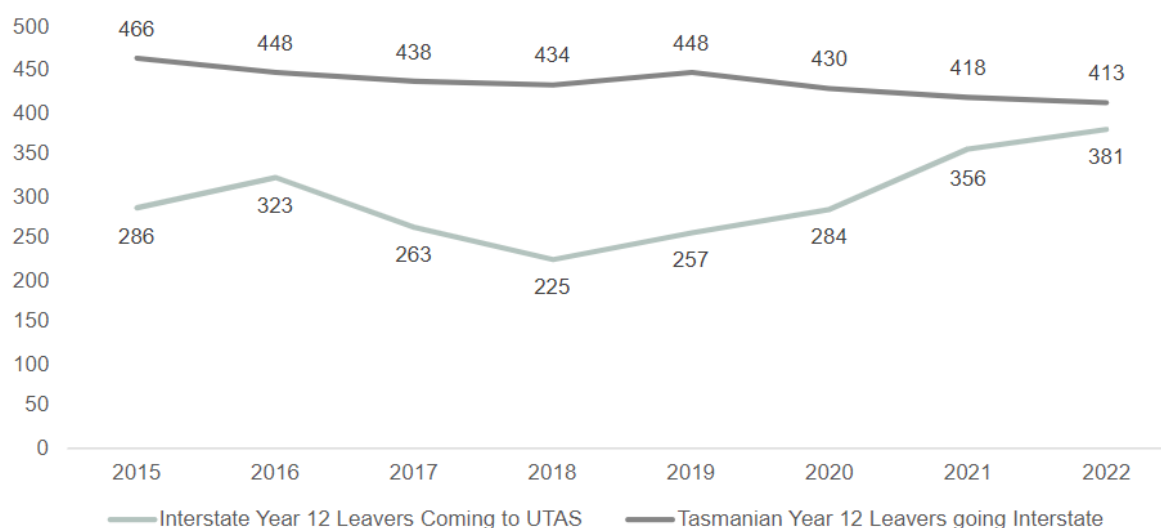
*Figure 12: Number of Tasmanian year 12 leavers commencing study interstate, 2015 – 2022*



HEIMS National Course Enrolments. Year 12 Leaver Defined as a student who is under the age of 20 at commencement of course. Commencing Domestic Students only.

The outcome of these Year 12 post-school study trends is that the net outflow of year 12 students commencing university has been decreasing over time, as more young people are choosing to study in Tasmania (refer to Figure 13).

*Figure 13: Net in/outflow of year 12 students studying on campus (number of Tasmanians studying interstate, number of interstate students studying at UTAS), 2015 – 2022*



HEIMS National Course Enrolments. Year 12 Leaver Defined as a student who is under the age of 20 at commencement of course. Commencing Domestic Students only.

**Question 11: A copy of the Moody's credit rating report mentioned in the hearing.**

Please refer to Attachment 1 – Moody's Ratings Credit Opinion Report - 5 Aug 2024 for the most recent Credit Opinion Report from Moody's Ratings.

On August 5<sup>th</sup> 2024, Moody's provided an updated credit opinion confirming a Aa2 rating for the University, and amending our outlook from 'stable' to 'negative'. This outlook change is a result of "uncertainties surrounding the effectiveness of the University's cost stabilisation measures and the revival of enrolment trends amid a lacklustre global and Australian economic outlook".

The report also highlights strengths of the University's position which impact our credit assessment, including a strong institutional framework and funding support, and distinctive research capabilities and operating ties with the State and the Commonwealth.

Meeting our financial projections should see the University's outlook return to 'stable' in 2026.

**Question 12: A copy of the latest 10-year outlook paper provided to the Council.**

The paper provided to University Council in December 2023 was a point in time analysis, treated as commercial in confidence within the University and has now been overtaken by more recent events and so parts are now no longer current.

As such, we would like to discuss how we might most usefully meet the Committee's interest in understanding the University's 10-year outlook.