

# PUBLIC

## THE PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON WEDNESDAY 18 SEPTEMBER 2024

### INQUIRY INTO THE UTAS FINANCIAL POSITION

**The Committee met at 1.30 p.m.**

**CHAIR** (Ms Forrest) - Welcome, Minister, to the Parliamentary Accounts Committee hearing into the UTAS Financial Position. We thank you for appearing before the Committee as the Minister for Education. I invite you to introduce the members of your team at the table and ask them to take the statutory declaration in just a moment.

This is a public hearing, so everything that's said in front of the Committee is covered by parliamentary privilege that may not extend beyond. I don't imagine there's anything of a confidential nature you'd need to share with the Committee. You could make that request if that was to occur, but otherwise it's all public.

If you'd like to introduce your team and ask them to take the statutory declaration, then I'll invite you to make an opening statement.

**Ms PALMER** - Thank you very much, Chair. I would like to introduce the Deputy Secretary for Business Operations and Support, Kane Salter. It is great to have Kane here. I also have Alice Blake, who is the Deputy Director, Strategic Policy and Projects. I have Jess Brewer. Jess is the Program Manager - Legislative Review.

**Hon JO PALMER MLC**, MINISTER FOR EDUCATION, WAS CALLED AND WAS EXAMINED.

**Mr KANE SALTER**, DEPUTY SECRETARY, BUSINESS OPERATIONS AND SUPPORT, **Ms ALICE BLAKE**, DEPUTY DIRECTOR, STRATEGIC POLICY AND PROJECTS, DEPARTMENT OF EDUCATION, AND **Ms JESS BREWER**, PROGRAM MANAGER - LEGISLATIVE REVIEW, DEPARTMENT OF EDUCATION, WERE CALLED, MADE THE STATUTORY DECLARATION, AND WERE EXAMINED.

**CHAIR** - I thank you for using your microphones too. We are using voice-to-text in order to help to accurately represent what you say, so that'd be helpful. Over to you, Minister.

**Ms PALMER** - I want to thank members of the Committee for the opportunity to discuss UTAS's financial position. As institutions, universities embody social, economic and intellectual resources which combine to generate benefits on a local, national and global scale. UTAS has an important role to play in the economic, social and cultural development of our state. Our government has had a longstanding relationship with UTAS, and successive governments have recognised its importance as the only University in our state. We will continue to work closely with UTAS, and the relationship between the government and UTAS provides a significant opportunity for collaboration to improve outcomes for the Tasmanian community.

We are committed to ensuring that UTAS delivers positive outcomes for students, for staff and for the broader Tasmanian community. The Department of Premier and Cabinet

(DPAC) is the lead agency for the formal partnership agreement between the government and UTAS. The partnership agreement has been updated several times, most recently in 2015, when a 10-year agreement was signed focusing on education, innovation, quality of life and economic impact. The agreement has resulted in major initiatives, including the \$75 million in Tasmanian government funding for the Northern Cities Major Development Initiative and \$96 million for the Hedberg Centre, and also the establishment of the Peter Underwood Centre for Educational Attainment. The government has also supported scholarships including the Education Inspiration Scholarship Program and the Tasmanian Honours Scholarship.

The government continues to engage and work closely with UTAS outside of that formal partnership agreement on emerging priorities. As the only University in the State, I do recognise the strong feelings of community ownership of UTAS. Many Tasmanians have past or current connections with the University, or the University is part of their future plans. I certainly acknowledge concerns, particularly in relation to the sustainability funding of UTAS, and I am committed to ensuring that UTAS delivers positive outcomes for students, staff and the broader Tasmanian community.

As Minister for Education, I support a vision of UTAS working in partnership with the government, with TAFE and with other educational providers to ensure that Tasmania is well placed to educate its people in a way that drives economic, social and cultural outcomes for the Tasmanian community and, importantly, provides pathways and outcomes for our Tasmanian learners.

I will take a minute to flesh out my relationship to UTAS as the Minister for Education. In my role as Minister, I do not have responsibility for the finances of UTAS. The Australian Government has financial and policy responsibility for higher education while, as in other states and territories, the Tasmanian Government retains major legislative responsibility.

However, universities are self-governing institutions. Their enabling legislation vests responsibility for governance and management of UTAS in a governing body, which is accountable to the relevant government for University operations. The Minister for Education's role under the *University of Tasmania Act 1992* is limited to appointing two members to the University Council and tabling the UTAS annual report in parliament.

Under the act, the University Council is the governing authority of UTAS, and you can find that in section 9(1). The University Council is also regulated by other Commonwealth government legislation, including the Higher Education Standards Framework, Threshold Standards 2021 and the *Australian Charities and Not-for-Profits Commission Act 2012* - both Commonwealth legislation.

Further, the University Council is governed by its own University Bylaws 1993 and University Council membership procedure.

I acknowledge the University of Tasmania Land Bill 2024 is a subject of interest that has already been raised through this inquiry. There's certainly been much community debate about the Sandy Bay campus land, which was gifted to UTAS by the people of Tasmania in 1951. There certainly has been a significant voice of dissent about the move away from Sandy Bay. The Tasmanian government committed to amend the act of 1992 to require that this land must have the explicit support of both Houses of parliament in order to be disposed of. That is, if

## PUBLIC

UTAS wishes to sell the land or lease the land in Sandy Bay for a term of 99 years or longer, both Houses of parliament would have the opportunity to scrutinise this and to ensure the right decision is made for all Tasmanians. As the agency administratively responsible for the act, the Department for Education, Children and Young People prepared this bill for the Minister for the Arts to take to parliament.

As a government we are keen to achieve the right balance, delivering on our commitment and also working with the University to secure the Sandy Bay campus for the future with a STEM-led plan, noting upgraded STEM facilities have been on Infrastructure Australia's radar since 2017. We will work together to update the business case to pursue a Commonwealth investment of \$500 billion into revamped STEM facilities at Sandy Bay.

Noting this context, I welcome your questions on UTAS's financial position.

**CHAIR** - Thank you. We do appreciate that the Minister for Education's role is limited and that you are directly - or indirectly, for that matter - responsible for the financial position of the public. But the act does say the Minister for Education is the responsible Minister, so that's why we're here. You did point out that one of the roles for you as Minister is to appoint members to the Council. Can you just tell the Committee more about what procedures and protocols are in place for that? Do you have a paper trail of any sort that shows how that process is undertaken, and when that's occurred?

**Ms PALMER** - Yes, for sure. I'll probably go to Alice on this, but I'll just make some opening comments. My understanding is that the current members are in place now until 2027, so that's when will be the next opportunity to look at that. My understanding is that the process for the Ministerial appointments is that the Council would provide me with advice because obviously there needs to be quite a specific skill set on this. The first place would be to get that advice from the Council. I would obviously take advice from my department as well on this.

I believe there is some flexibility in what process the Minister can use in this appointment, but my expectation would be that it would be open and that it would be transparent, but certainly taking advice from the department and indeed from the Council. I'm not sure if Alice has anything more to add to that.

**Ms BLAKE** - No, I think you've covered it reasonably well. The act is fairly silent on the process by which the Minister would make that process, and, I think, when we've attended previously with Minister Jaensch, the department hadn't been particularly involved or involved in any of the previous processes. So, we didn't have a paper trail or record.

**CHAIR** - So, there's no record of the involvement of the department at all in the two current Ministerial appointments?

**Ms BLAKE** - So, that was at the time we attended with Minister Jaensch. Minister Jaensch did seek advice at that time in the recent appointments.

**CHAIR** - He sought advice?

**Ms BLAKE** - On the act.

**CHAIR** - He sought advice on the act but not on the appointments? I'm just trying to -

**Ms PALMER** - I believe that the two current members were appointed in 2021.

**CHAIR** - Yes. So, what was the process he adopted then? What was the Minister for education's role and how did he undertake his role at the time?

**Ms PALMER** - Obviously I was not the Minister in 2021, so I don't have any personal line of sight of how that was managed then. What I can say is that when you look, when you read the legislation, it is relatively silent on what that process needs to be. I guess what I can speak to is the process that I would undertake, which would be open and transparent one, but also seeking advice from the Council and also, I'd be wanting to seek advice from the department as well. And, as I say, those two appointments their term expires on the 1st of April.

**CHAIR** - Who are those people who are currently on the Council?

**Ms PALMER** - We have Ms Tara Howell. She was appointed in 2021. She is based in Launceston. We also have Ms Sheree Vertigan AM, also appointed in 2021, and she's based in Devonport.

**CHAIR** - When you say you're taking an open and transparent process, you'll advertise, or what? You're the decision maker here so I'm interested in what that would look like.

**Ms PALMER** - It would absolutely be open and transparent. That would be my expectation.

**CHAIR** - To advertising? I'm interested in what - I mean, open transparent can mean different things to different people.

**Ms PALMER** - Yes. So, I think I would - obviously that's going to happen in 2027, but my commitment as the Education Minister, as with pretty much anything I do as a Minister or a member, is that I am always seeking for openness and transparency across any decision-making process. But I do think it's important to note that I would absolutely take advice from the governing Council around skills and what they need from those two positions. Obviously, that would be part of that process to ensure that we were attracting people with the skills that the Council was identifying they needed.

**Mr WILLIE** - So, when you take advice from the Council, you're not asking for people, you're asking for skills and what their role is?

**Ms PALMER** - Absolutely, that would be my expectation. What's the make-up of your current board if these two people are not going to be reappointed or they're not wanting to stand again, what's the expertise that you've lost from the Council from those people? So, when we go out to seek that new person, who should we be looking for? You don't need 10 accountants, 10 lawyers on a Council. It would be looking at what is the balance and I think you would have to seek that advice from the Council as to what did they need in that skill set.

**Mr BEHRAKIS** - Minister, my question is on a similar line. Whilst it's obviously right and proper to get advice from the Council and from the department, and then from the Council as far as what skill sets they need on the board, I suppose in some ways those two appointments are the Tasmanian people's representatives on those boards. So, you wouldn't, by any means,

be limited to the shortlist that the University says that they're comfortable with that you're choosing from? It would be taking advice and then making a decision on anyone who you think is appropriate.

**Ms PALMER** - Absolutely. And that's a really important place that I would need to go to seek advice, so that I had an understanding of the makeup of that Council and to ensure that I was aware of, if a new person was to be appointed, what's the skill set we're losing from the person who's moving on. Do they need to be replaced? It could be something quite different and that would simply factor into what the terms of reference would be for who we needed to attract to that position.

**CHAIR** - So, just to stick with this for a bit longer. I know that when UTAS themselves appeared before the Committee a little while ago, the 22nd of August 2024, there was an indication that UTAS was only accountable to the UTAS Council. The only direct link between UTAS and government was the borrowing power. I know you can't talk about the borrowings themselves, but I'm interested, Minister, whether you think the University of Tasmania Act that specifies that the Minister for Education should appoint two members, isn't that a key role here, subject to consultation with the Council? It seemed that the evidence from Steve, from UTAS, was that they're not responsible to anybody other than the Council. But do you see there's a responsibility here to the Minister in the appointment of new members to the Council or the two Ministerial appointments?

**Ms PALMER** - Not quite sure what your question is. Is the University responsible -

**CHAIR** - No, that was suggesting that they're only accountable to the UTAS Council, but the act makes it pretty clear that there is an accountability to the Minister for Education in the appointment of Council members. Do you agree with that? Do you believe that there's a level of accountability to the government through the Minister, through the appointment of those, or is it completely at arm's length and UTAS is a complete master of its own destiny?

**Ms PALMER** - I think from some of the comments that I've made in my opening statement, there are pieces of legislation and they are accountable to the federal government. The role that I strictly play in accordance with the act is around those two areas of the appointment. I think Mr Behrakis set that out very well when he said the people's appointment, and with the tabling of the legislation, that's firmly where I see my responsibility as Minister. That's where the act sits as far as my responsibilities are.

Obviously, I'm engaging with the University on a very regular basis in my role as Education Minister outside of my actual specific obligations under the act, but that's simply because that's our teaching workforce of the future and so, across my portfolios, obviously there's a clear link there with the University.

**CHAIR** - The other legislative requirement is to table their annual report. From your perspective, Minister, is that the end of it? You table it and your work's done? There's no other expectation that you will review it, look at it, make sure that your expectations as the Minister for Education are being met?

**Ms PALMER** - I think my personal expectation as the Minister for Education is of course I'm going to review the work that they would put forward. But if you're talking about what's under the act, my job there is simply to table the legislation. I don't think you'd want to be an

## PUBLIC

Education Minister that wasn't reading the annual report and constantly engaging with your one and only University in the state.

**CHAIR** - If you identified something in the annual report that was of concern to you as the Minister for Education, what would your action be?

**Ms PALMER** - Pick up the phone and ring them and discuss it.

**Mr WILLIE** - If we can move to the protection bill, because that came up in the hearing - you talked about it in your opening remarks. I'm interested in what relationship the Minister for the Arts has with the University in tabling that bill, and why your name is not on there as the Education Minister.

**Ms PALMER** - That's actually the usual process, because I'm a Minister in the upper House. If a bill is tabled in the lower House, it needs to be in the name - I questioned that as well - of the person who's taking it through. With the disability legislation that I've just taken through, that was in my name because it started in my House and then it went down. But normally with other pieces of legislation I've put through as Primary Industries Minister, that's the proper process. It's been quite interesting because I think in the past it has not been correct. But we got advice from the Clerks that the correct process is that it is meant to be in the name of the person in the lower House that's putting the legislation through.

**Mr WILLIE** - We've heard UTAS is concerned about the legalities of it, the potential for freezing their asset - they want to co-fund their new STEM facility. Do you have concerns as Education Minister the government will effectively strand their asset and the University won't be able to help self-fund a new STEM facility? What's the plan in that scenario as Education Minister?

**Ms PALMER** - I have no concerns whatsoever in that space. I have engaged with the University closely, obviously because they're my stakeholder on this. I think it's really important to remember that this is simply having an open and transparent process. The land was gifted to the University for educational purposes in 1951, remembering it's only this piece of land. It's only this parcel of land. We're not talking about all the land that the University has.

We've done this in response to a wave of reaction across part of our community. As I said in my opening comments, there's a lot of emotion. People feel very connected to the University and they feel connected to the land as well. This is just a way of saying, look, if you're wanting to do other things with this land, all we ask is, if you're going to sell it or lease it for longer than 99 years, there is a simple parliamentary process for which you can do that.

I've carefully looked at the legislation. It is not onerous, by any means. They can do their own motion, they can come to me, I can do a motion. There's only a number of dot points that they need to cover off on. If you're going to lease it - what's the details of the lease; give us a clear description of the land. If you're going to sell it - what's the amount. Then it's tabled and there are 10 days, and the parliamentary process goes forward. It's not an onerous task, but it is a way of being transparent. We're doing that in response to, as I say, a wave of community feeling. That's our job. I see that as our job to respond to that.

**Mr WILLIE** - You're basing it off feelings? What sort of advice are you basing your no concerns off? Because the University is saying something very different in a public domain,

## PUBLIC

no doubt based on advice. Have you got legal advice from the Solicitor-General that says the University's concerns aren't warranted?

**Ms PALMER** - We have been working through, and I've been meeting with the University, as has Minister Ogilvie and the Premier on this. I think we need to probably just be a little bit careful. I'm not trying to be antagonistic at all, but there are things the University is saying and then there are things that are being said by others in the media. We've been very clear with the University. We want to work with them on this and I actually am very -

**Mr WILLIE** - It sounds like you're dismissing their concerns, Minister.

**Ms PALMER** - Not in any way, shape or form. I am certainly working with the University. As I say, in our community there was a wave - and I will use the word 'emotion'. People felt passionate about it. They were worried about it; they were concerned about it. They've come to their members of parliament and they've said, 'We're deeply concerned about this. It was gifted to the University for educational purposes. Can there be some sort of a process that shows accountability, transparency, openness' - isn't that everything that we are saying that we want our parliament to be in this decision-making process?

I've read through the legislation. It does not appear to be onerous at all. Kane, I don't know if you can add anything to that, or actually, Jess, on the legislation, but I'm advised this is not an onerous process. We continue to work with the University, and I have to say my last meeting with the University, which was with the Minister for the Arts and with the Premier, was a great meeting. We were looking at opportunities and moving forward.

**CHAIR** - Were they suggesting amendments to the legislation?

**Ms PALMER** - They haven't suggested amendments to the legislation to me.

**Mr WILLIE** - What advice are you basing your lack of concern and dismissing the University's concerns on?

**Ms PALMER** - I'll challenge you on that question. They are your words, that I have 'a lack of concern'.

**Mr WILLIE** - The University has been very public about their concerns around the legalities. It's in the public domain.

**Ms PALMER** - I'll challenge you on your question when you are stating that I have a lack of concern. I think that's unfair.

**Mr WILLIE** - You said you're not concerned.

**Ms PALMER** - I certainly am working with the University at every step of the way and engaging with them, as is Minister Ogilvie, as is our Premier. This is a very simple process. This is simply saying, 'Here is some land, here are concerns from the community, let's just be open and transparent in how we're going to deal with that'.

**Mr WILLIE** - You're changing the legal framework after a decision has been made. That's effectively what the government's doing.

**Ms PALMER** - I believe that's a statement.

**CHAIR** - Have you got a question?

**Mr WILLIE** - I can keep questioning on this, but I don't think I'm going to get a different answer. My question was very simple. It was, what advice are you basing your lack of concern on?

**Ms PALMER** - I have no lack of concern, Mr Willie.

**Mr WILLIE** - You said you weren't concerned.

**Ms PALMER** - I have no lack of concern around what is the right thing for the University here. I'm working with the University, but we are doing this in response to a wave of concern across the community about a situation. Personally, I think that is our job, not as Ministers but as local members, that we should be responding to that. We're simply saying, 'University, if you wish to do that with this parcel of land that this community feels so passionate about, can we just do it in an open and transparent way?' The voice of the community is through their members for parliament. That is their voice in our place, and so they will have the option to have a look at what the University may wish to do.

**Mr WILLIE** - You said yourself that you want \$500 million from the federal government for the STEM facility. That's been requested since 2019: it hasn't eventuated under Liberal or Labor governments. Are you concerned that if you strand the University's asset, we effectively don't get a new STEM facility?

**Ms PALMER** - First of all, we will not be stranding the University's asset. We will simply be going through a process where, with this particular parcel of land, it will be open and transparent, and the people who are elected to be the voice of the community will have the opportunity to see that in an open, transparent way.

We're not stopping anything; we're not stranding anything. We're not putting a shutdown on anything. We're just saying 'Here is a process that's open and transparent'. Then we will work with the University and Commonwealth Government, because we would love to see that investment in our state.

**Mr WILLIE** - Is it your expectation the federal government pays for the entire STEM facility?

**Ms PALMER** - I think we have to work through that process, but we certainly would like the federal government to be part of that conversation.

**Mr WILLIE** - Would the state government make a contribution?

**Ms PALMER** - As I say, we have to work through that process and we are doing that with the University. Our expectation is that the federal government would be part of that conversation.



**CHAIR** - One of the key things to attracting students is having good facilities, hence the need for the STEM facility. In attracting students more broadly, one of the concerns that has been raised by a number of people in the community and UTAS is the number of students who are gaining adequate ATARs to enter University under the usual pathways. I'm interested in your views, Minister for Education. Have you done any work on that to see, if we can't enrol our own students because they don't meet the requirements, what do we need to do as part of the bigger picture to support UTAS? UTAS's financial position is about student numbers.

**Ms PALMER** - Regarding the ATAR and people's pathways into University, I've been having a lot of conversations with different organisations around that, particularly with students from Big Picture who we often see may not achieve a TCE through the regular process, but have gone over and above and are extraordinary people.

We have one of those students who works in the Legislative Council at the moment. It's been really good to be able to advocate on their behalf and also to arrange times when I've been able to set up meetings for them to advocate for themselves. Not everyone learns the same way and maybe we need to look at flexibility so that we're not putting barriers up for young people or anyone to go into University. That's been a very interesting part of the work that I've been doing since I've become Education Minister.

**CHAIR** - In terms of year 11 and 12 students who are mostly on a pathway to some sort of further education, whether it be University or TasTAFE, do you have figures that show the numbers of Tasmanian secondary student completion rates through that system?

**Ms PALMER** - I don't have those with me at the moment.

**CHAIR** - We might ask you about that next week during Estimates. Have it ready then.

**Ms PALMER** - Sure. I've come here very much in line with -

**CHAIR** - Focused on UTAS.

**Ms PALMER** - Yes.

**CHAIR** - The financial viability of UTAS predominately relies on students going in the door. We've seen the challenges with international students, so surely domestic students would be very important.

**Ms PALMER** - Absolutely. I have not brought those figures to the table with me today.

**Mr BEHRAKIS** - Hopefully I'll have time for two questions. Going back to the appointment of the two board members on the Council - as I was saying, that's the extent of the Tasmanian people's ability to provide input or scrutinise how the University works. Is there any mechanism where those two board members have any requirement to you as Minister? Do they update you on the goings on of the University, or is there any sort of interaction there on a regular basis?

**Ms PALMER** - I might just have to check that. Certainly, in the act it doesn't say that there's an obligation, but I might just check that with Alice.

## PUBLIC

**Ms BLAKE** - No, there's no obligation under the act.

**Mr BEHRAKIS** - They're appointed then? They're their own people there?

Lastly, and maybe for an abundance of clarity regarding the issue of the legislation that is before parliament, there's been a lot of words thrown around here and in other forums about how the legislation would strand or freeze or block the assets from development occurring on that site. Is that in any way accurate as to what the actual functions and intent of the bill is?

**Mr WILLIE** - I don't know many proponents that would invest in a proposal that's subject to the approval of parliament.

**Ms PALMER** - I'm sorry -

**CHAIR** - Have you got a question, Simon?

**Mr BEHRAKIS** - The question was about the accuracy of the way that certain people have tried to portray the intent or the function of the bill and what it's actually trying to do. How accurate are those portrayals as far as saying that it's going to freeze or block or anything like that?

**Ms PALMER** - As I said earlier, that simply isn't the case at all. It's not the intent of what we're trying to do at all. We made an election commitment because there was this deep concern. There's been a Legislative Council process on this. There's been surveys -

**CHAIR** - The Legislative Council's not on that.

**Mr WILLIE** - That's on the governing act.

**Ms PALMER** - that have been done as well that showed the level of concern across the community. We responded to that concern by saying, 'Okay, let's have an open and transparent and accountable process by which the land that was gifted to the University by the people for educational purposes can actually go through parliament', which surely must be seen as such a fair way to ensure that the voices of all are recognised through our parliament. That is the make-up of our parliament.

**CHAIR** - We're out of time, Minister, but is there anything you wanted to add before we finish that you wish to have said and haven't?

**Ms PALMER** - No, I don't think so. I've said a lot.

**CHAIR** - Thank you for your time. We appreciate that. We'll let you get ready for Question Time.

**Ms PALMER** - Yes, thank you.

**THE WITNESSES WITHDREW**

**The Committee adjourned at 2:02 pm.**