

**Deputy Premier  
Treasurer  
Minister for Infrastructure and Transport  
Minister for Planning**



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Hon Rob Valentine MLC  
Chair  
Legislative Council Select Committee  
Inquiry into the Provisions of the *University of Tasmania Act 1992*  
Email: [jenny.mannering@parliament.tas.gov.au](mailto:jenny.mannering@parliament.tas.gov.au)

25 July 2023

Dear Mr Valentine

I refer to your letter of 7 July 2023 and provide the following responses to the questions taken on notice.

- 1. Please provide detail on how the level of State government funding for the University of Tasmania is determined, and how often it is reviewed?*

The University of Tasmania does not participate in the Government's annual Budget process as it is not a Government agency. However, funding requests for specific projects may be considered as part of the Budget process, if proposed by agencies through their Budget submissions.

Any funding provided through the Budget is reported in the relevant agency's Annual Report and in the University of Tasmania's Annual Report. Funding is reviewed in-line with the requirements prescribed in specific agreements.

- 2. How are borrowing approvals by the Treasurer under Section 7(2) reported to Parliament?*

The *University of Tasmania Act 1992* does not require borrowing approvals under Section 7(2) of the Act to be reported to Parliament as they are not Government sector borrowings.

- 3. Please provide copies of each of the Section 7(2) approvals granted since 1 July 2017, including the dates, amounts and any conditions applied.*

Please see the attached letters from the then Treasurer, the Hon Peter Gutwein to the Vice-Chancellor of the University of Tasmania, Professor Rufus Black, dated 25 June 2019, 19 November 2019 and 3 March 2021.

Yours sincerely

A handwritten signature in blue ink that reads "Michael Ferguson".

Michael Ferguson MP  
**Deputy Premier  
Treasurer**

Treasurer

25 JUN 2019



Level 9 Executive Building  
15 Murray Street HOBART TAS 7000  
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Email [treasureroffice@dpac.tas.gov.au](mailto:treasureroffice@dpac.tas.gov.au)

Professor Rufus Black  
Vice-Chancellor  
University of Tasmania  
Private Bag 51  
HOBART TAS 7001

Dear Professor Black

### **University of Tasmania Overnight Borrowings**

I refer to your request to approve a temporary increase of the University's overnight borrowing facility limit with the Tasmanian Public Finance Corporation (Tascorp), resulting in an increased working capital facility of \$75m until 12 December 2019.

I understand that this temporary increase is needed as a result of cashflow pressures arising from the recent purchase of the K&D site and the reprofiling of other grant funds previously expected in 2019.

On the basis that the Tascorp Board continues to be satisfied that the University is able to service this level of debt and is prepared to increase the University's overnight borrowing facility limit, I approve the revised borrowing arrangement as required under the *University of Tasmania Act 1992*.

I note my previous advice from July 2017 that in line with competition policy principles, that these, and all future additional borrowings with Tascorp will be subject to government guarantee fees. The government guarantee fee that applies for new or refinanced debt in 2019-20 is 27 basis points. Appropriate arrangements for the payment of the guarantee fees will need to be put in place. If you have any queries in relation to these payments, please contact Jodi Willcox at the Department of Treasury and Finance on (03) 6166 4255 or at [Jodi.Willcox@treasury.tas.gov.au](mailto:Jodi.Willcox@treasury.tas.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read "Peter Gutwein".

Hon Peter Gutwein MP  
Treasurer

Treasurer

Level 9 Executive Building  
15 Murray Street HOBART TAS 7000  
Ph +61 3 6165 7670  
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19 NOV 2019



Professor Rufus Black  
Vice-Chancellor  
University of Tasmania  
Private Bag 51  
HOBART TAS 7001

Dear Professor Black *Rufus,*

**University of Tasmania Medium Term Borrowings**

I refer to your request to increase the University's medium term borrowing facility limit with the Tasmanian Public Finance Corporation (Tascorp) to \$200 million.

I understand that this increase is needed as a result of timing differences between construction costs on the Northern Transformation Project and to provide term funding for the recent purchases of Hobart CBD student accommodation.

On the basis that the Tascorp Board continues to be satisfied that the University is able to service this level of debt and is prepared to increase the University's borrowing facility limit, I approve the medium term borrowing arrangement as required under section 7(2) of the *University of Tasmania Act 1992*.

If you have any queries in relation to these payments, please contact Jodi Willcox at the Department of Treasury and Finance on (03) 6166 4255 or at [Jodi.Willcox@treasury.tas.gov.au](mailto:Jodi.Willcox@treasury.tas.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read "Peter Gutwein", with a long horizontal flourish extending to the right.

Hon Peter Gutwein MP  
Treasurer



PREMIER OF TASMANIA

- 3 MAR 2021

Professor Rufus Black  
Vice-Chancellor  
University of Tasmania  
Private Bag 51  
HOBART TAS 7001

Dear Professor Black

### **Southern Infrastructure Project Borrowing Limit Increase**

I refer to your letter dated 6 October 2020 seeking approval for a \$200 million increase in the University's borrowing facility limit.

I understand that this increased funding facility is needed in order to progress work as part of the Southern Infrastructure Project, a key component of the University's forward Strategic Plan.

On the basis of the supporting information provided to Treasury by the University, I approve the request to increase the University's borrowing facility limit, as required under section 7(2) of the *University of Tasmania Act 1992*. This approval is subject to the following conditions:

- the University obtains and maintains a stand-alone, investment grade credit rating from an approved rating agency;
- the increase of \$200 million to the existing borrowing facility limit is approved solely for the purposes of the construction of the Southern Infrastructure Project; and
- the \$200 million borrowing facility limit will reduce over time consistent with the maturity profile detailed in the University's request.

I am of the view that the University should obtain borrowings on a stand-alone basis. Therefore, the current Government guarantee provided to the Tasmanian Public Finance Corporation to support COVID-19 related funding will not be increased to cover any additional borrowings by the University.

If you have any questions in relation to this matter, please contact David Bailey at the Department of Treasury and Finance on (03) 6166 4413 or at [david.bailey@treasury.tas.gov.au](mailto:david.bailey@treasury.tas.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Peter Gutwein'.

Peter Gutwein MP  
**Premier**  
**Treasurer**