2025 **(No. 8)**

PARLIAMENT OF TASMANIA

PARLIAMENTARY STANDING COMMITTEE OF PUBLIC ACCOUNTS

University of Tasmania Financial Position

Members of the Committee

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)

Table of Contents

Charter of the Committee ii

Abbreviations and Acronyms iii

Executive Summary 1

Summary of Findings 3

Summary of Recommendations 7

Conduct of Review 8

Background 10

Responses 12
- Statutory Position and Oversight of UTAS Operations 12
  - Ministerial Oversight of UTAS 13
- UTAS Financial Position 21
  - Current Financial Position 21
  - Newnham Campus Land Use Covenant 31
  - Other UTAS Financial Position Matters 36
  - Revised Financial Model 37
  - UTAS Capital Programs 46
  - UTAS Staffing Establishment 50
  - UTAS Students 52
  - Funding for Proposed Science, Technology, Engineering and Mathematics (STEM) Facility 64
  - The Impact of the Capping of International Student Placements 74
  - Purpose Built Student Accommodation 80
- University of Tasmania (Protection of Land) Bill 2024 (31 of 2024) 85

Summary of Attachments 91

Charter of the Committee

The Public Accounts Committee (the Committee) is a Joint Standing Committee of the Tasmanian Parliament constituted under the *Public Accounts Committee Act 1970* (the Act).

The Committee comprises six Members of Parliament, three Members drawn from the Legislative Council and three Members from the House of Assembly.

Under section 6 of the Act the Committee:

- **must** inquire into, consider and report to the Parliament on any matter referred to the Committee by either House relating to the management, administration or use of public sector finances; or the accounts of any public authority or other organisation controlled by the State or in which the State has an interest, and

- **may** inquire into, consider and report to the Parliament on any matter arising in connection with public sector finances that the Committee considers appropriate; and any matter referred to the Committee by the Auditor-General.

Abbreviations and Acronyms

AM	Member of the Order of Australia
ATAR	Australian Tertiary Admission Rank
BCR	Benefit to cost ratio
CLA	*Crown Lands Act 1976* (Tas)
Committee	Parliamentary Standing Committee of Public Accounts
COVID	Coronavirus disease
Cth	Commonwealth of Australia
DCTF	Defence Cadet Training Facility
DoD	Department of Defence (Commonwealth)
DoE	Department of Education
EBITDA	earnings before interest, tax, depreciation and amortisation
EFSL	Equivalent full-time student load
EL	Evidence Level
FTE	Full-time equivalent
GBE	Government Business Enterprise
GMP	Guaranteed maximum price
HECS	Higher education contribution scheme
HEIMS	Higher Education Information Management System
HERDC	Higher Education Research Data Collection
Hon	Honourable
IMAS	Institute for Marine and Antarctic Studies
K&D	Kemp and Denning Ltd
LCD	Launceston City Deal
MLC	Member of the Legislative Council
MP	Member of Parliament
OUA	Open Universities Australia
PBSAA	Purpose Built Student Accommodation Agreement
SES	Socio-economic status
SOC	State Owned Corporation
STEM	Science, Technology, Engineering and Mathematics
TAFE	Technical and Further Education
TASCORP	Tasmanian Public Finance Corporation
TCE	Tasmanian Certificate of Education
TEQSA	Tertiary Education Quality and Standards Authority
the Act	*Public Accounts Committee Act 1970*
TIA	Tasmanian Institute of Agriculture
UTAS	University of Tasmania
UTAS Act	*University of Tasmania Act 1992*

Executive Summary

The University of Tasmania (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 makes 38 findings and 2 recommendations.

The Committee recommends regular parliamentary scrutiny of UTAS' financial performance by a relevant parliamentary committee. In addition, 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.

Hon Ruth Forrest MLC
CHAIR

19 March 2025

Summary of Findings

With respect to the UTAS financial position, the Committee made the following findings:

Area	Finding
Statutory Position and Oversight of UTAS Operations	F1. UTAS operates according to the *University of Tasmania Act 1992* (Tas). F2. UTAS operates uniquely as Tasmania's sole university and is neither a government business enterprise nor a state-owned corporation, and there is no provision under the *University of Tasmania Act 1992* for routine financial scrutiny of Parliament. F3. The University of Tasmania Act 1992 requires: a. annual reporting to the Minister for Education, with the report required to be tabled in Parliament b. the Minister for Education to appoint two members to the University Council, and c. approval by the Treasurer for additional borrowings including the Treasurer's ability to place conditions on such borrowings. F4. UTAS' reporting requirements, in terms of governance, accountability and financial management, is to the University Council. F5. UTAS is subject to annual financial performance oversight from the Tasmanian Audit Office, and oversight from the Tasmanian Integrity Commission and the Ombudsman Tasmania. F6. Beyond the oversight provided under the *University of Tasmania Act 1992*, UTAS is also subject to federal government education regulators including Tertiary Education Quality and Standards Authority.
UTAS Financial Position	F7. UTAS' 2023 financial overview highlighted a challenging economic environment, with stable domestic student revenue but volatility in international student numbers. F8. Inflationary pressures have increased operating and capital costs, impacting financial performance. F9. International students were the main driver of growth and improvement in UTAS' financial position from 2014 – 2019. F10. International UTAS student numbers declined following a peak in 2019 as a result of COVID-19 (including an estimated $189 million negative impact from COVID 19 on operating costs) and migration policy changes in Australia and China. F11. UTAS' reliance on international student revenue for cross-subsidisation of research and capital investments may become unsustainable in the long-term, particularly in light of proposed Australian Government policy related to international students. F12. In dropping from EL2-rated to EL3-rated university, UTAS is working to diversify its international student demographics to reduce the risk of over-reliance on students from any one country. F13. UTAS claims it is implementing adjustments to return to profitability in 2024, following successive years of external financial shocks.

Area	Finding
	F14. Despite financial challenges, UTAS states it has sufficient cash flow and investment reserves to meet commitments but requires external funding for capital asset replenishment. F15. UTAS has a significant real estate portfolio and ongoing capital projects, including the transition of parts of its southern campus to the Hobart CBD and redevelopment of a STEM facility at Sandy Bay campus. F16. Despite UTAS' assertion that it has managed capital projects within 5% of approved budgets, rising construction costs and shifting project scopes have created financial strain. F17. UTAS has maintained an approved borrowing limit of $400 million and acknowledges the need for careful management of debt. F18. UTAS has set an objective to fully cover research costs through external funding, aligning with national policy directions, however, current research income structures continue to require substantial internal cross-subsidisation. F19. UTAS' philanthropic income remains limited, averaging $7.56 million annually. F20. UTAS state a $40-60 million estimated net cost subsidy is required to operate and deliver teaching, learning and research to Northern Inveresk and North West Cradle Coast Campuses. F21. UTAS is currently the fourth biggest online operator of university courses in Australia. F22. 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. F23. 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. F24. UTAS has experienced a change in student profile, including a larger number of mature aged students, part time students and online students. F25. The increase in part-time students has increase the per student cost, adding to the financial challenges facing UTAS. F26. UTAS has outlined significant capital expenditure commitments, particularly the needs for STEM facility upgrades, but 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. F27. Government funding has played a critical role in past capital projects, but no additional government funding has been secured for future investments in STEM. F28. 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. F29. UTAS claim approximately $500 million will be required to build new and/or retrofit existing buildings at the Sandy Bay Campus, below Churchill Avenue: this cost would be very similar for either a

Area	Finding
	complete new building or a partial new build and retrofit of some existing buildings. F30. If UTAS does not continue to replenish capital assets to contemporary standards, it will continue to face pressure from other universities for student recruitment and retention, directly impacting its future revenues and sustainability. F31. UTAS has undertaken renewal of parts of the existing STEM facilities over time including Medical Sciences, IMAS facilities at Salamanca and Taroona. F32. UTAS claim there is an annual cost of $30 million to sustain and maintain capital assets. F33. UTAS staffing levels have reduced (a greater proportion being professional staff rather than academic staff in the 2023 restructure), reflecting deliberate cost containment measures amid declining student enrolments, with projected staffing levels remaining conservative. F34. Pre-COVID-19 pandemic, UTAS purchased properties including hotels in the Hobart CBD to assist in accommodating students predominantly during a period with high demand for housing and high international student numbers: these were disposed of following completion of purpose-built student accommodation. F35. The revised financial outlook through 2050 includes planned refinancing of UTAS' Green Bonds due to the impact of COVID-19 and anticipated revenue shortfalls due to the lack of financial return from the Sandy Bay Campus. F36. UTAS has faced delays in realising asset value from the Newnham campus in Launceston due to the Government-imposed land covenants which requires a fee simple process, which is to be finalised by the State Government by 30 June 2025. F37. The Australian Government Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024, passed the House of Representatives with amendments in August 2024, but has not been passed by the Senate. F38. The Moody's Rating Credit Opinion for UTAS (August 2024) amended its outlook from 'stable' to 'negative,' reflecting the University's financial risks.
University of Tasmania (Protection of Land) Bill 2024 (31 of 2024)	F39. The University of Tasmania (Protection of Land) Bill 2024: a. was tabled in the House of Assembly on 20 June 2024 b. was debated and amended in Committee on 28 November 2024, and c. the amended Bill was introduced to the Legislative Council on 11 March 2025, and has not yet been debated. F40. The original University of Tasmania (Protection of Land) Bill 2024 proposed any disposal of UTAS land owned at the Sandy Bay Campus would require the approval of both houses of Parliament. F41. Minister Ogilvie successfully proposed an amendment to The University of Tasmania (Protection of Land) Bill 2024 in response to ongoing engagement with UTAS, which rezoned and enabled the disposal of the land above Churchill Avenue, Sandy Bay unencumbered: this amendment does not apply to UTAS land below

Area	Finding
	Churchill Avenue which will require the approval of both houses of Parliament to be disposed of, if the amended bill is passed by the Legislative Council.

Summary of Recommendations

The Committee makes the following two (2) recommendations:

R1. Through the relevant parliamentary committees, Parliament undertake regular scrutiny of UTAS' financial performance, and

R2. Recognising the need of regional universities, the Tasmanian Government advocates on behalf of UTAS to the Australian Government to:

a. provide stable and equitable per-student funding, and
b. clarify and influence international student policy settings, advocating for quotas and migration policy settings.

Conduct of Review

In line with section 6(1) of the *Public Accounts Committee Act 1970*, the Committee resolved to conduct a targeted inquiry into and report on the University of Tasmania (UTAS) Financial Position with particular reference to:

1. The current financial position of UTAS

2. UTAS' plans to address underlying financial pressures related to:
    a. the reducing market
    b. operating costs
    c. capital costs, and

3. The impact of the Australian Government higher education/tertiary education policy and funding, and immigration policies on UTAS' financial position.[1]

On 21 August 2024, the Committee were briefed by Mr Martin Thompson (Auditor-General) and Mr Jonathan Wassell (Deputy Auditor-General) with respect to the current financial position of UTAS.

The Committee resolved to invite UTAS representatives, the then Treasurer and the Minister for Education to a series of public hearings to be held in Committee Room 2, Parliament House, Hobart:

Thursday, 22 August 2024
University of Tasmania **Professor Rufus Black (Vice Chancellor and President)** **Ms Alicia Leis (Deputy Chancellor, Chair of the University Council's Audit and Risk Committee)** **Mr Craig Barling (Deputy Vice Chancellor, Student Services and Operations)** **Mr Ben Rose (Chief Financial Officer)** **Ms Jane Beaumont (General Counsel)**
Wednesday, 18 September 2024
Hon Jo Palmer MLC **Minister for Education** Department of Education Representatives Mr Kane Salter (Deputy Secretary, Business Operations and Support) Ms Alice Blake (Deputy Director, Strategic Policy and Projects) Ms Jess Brewer (Program Manager - Legislative Review)

[1] See PAC Media Advisory – 13 August 2024 (Terms of Reference)

Wednesday, 2 October 2024
University of Tasmania **Professor Rufus Black (Vice Chancellor and President)** **Ms Alicia Leis (Deputy Chancellor, Chair of the University Council's Audit and Risk Committee)** **Mr Craig Barling (Deputy Vice Chancellor, Student Services and Operations)** **Mr Ben Rose (Chief Financial Officer)** **Ms Jane Beaumont (General Counsel)**

Despite several attempts to lock-in a suitable time for a public hearing with Hon Michael Ferguson MP (then Treasurer), the Committee resolved instead to forward questions on notice to him. Subsequent to his resignation as Treasurer on 14 October 2024, the Committee forwarded the correspondence to Hon Jeremy Rockliff MP (Premier) on 15 October 2024 for his consideration and action. Upon Hon Guy Barnett MP being confirmed as Treasurer on 23 October 2024, a response to the questions on notice was received 8 November 2024.

Copies of the transcripts, tabled papers, broadcasts and responses are available on the Committee's inquiry webpage.[2]

[2] See in general 'UTAS Financial Position', https://www.parliament.tas.gov.au/committees/joint-committees/standing-committees/public-accounts-committee/inquiries/utas-financial-position

Background

With respect to parliamentary scrutiny, the Committee noted that UTAS as Tasmania's only university and as a public facing entity, it was somewhat unique:

- as it is neither a government business enterprise nor a State-owned corporation, it has traditionally escaped financial scrutiny from both Houses
- constituted under the *University of Tasmania Act 1992* (UTAS Act), has perpetual succession and a seal, may be sued and be sued in its corporate name and has broad powers under section 7 of that Act other than a fettered power to borrow money:

  7. Powers of the University

  (1) The University has power to do, both in Tasmania and elsewhere, all things necessary or convenient to be done for or in connection with the performance of its functions and, in particular, has power –
  (a) to acquire, hold and dispose of real and personal property; and
  (b) to form, and participate in the formation of, companies; and
  (c) to subscribe for and purchase shares in, and debentures and other securities of, companies; and
  (d) to enter into partnerships; and
  (e) to participate in joint ventures and arrangements for the sharing of profits; and
  (f) to borrow money; and
  (g) to do anything incidental to any of its powers.

  (2) Notwithstanding subsection (1) (f) , the University is not to exercise its power to borrow money unless it has first obtained the written approval of the Treasurer.[3]

- it is registered as a charitable organisation under the *Australian Charities and Not for-profits Commission Act 2012* (Cth)[4]
- the UTAS Act is under the purview of the Minister for Education,[5] and
- with respect to government financial assistance, the split between Australian and State Government contribution is approximately 85:15 respectively.[6]

The Committee noted that under the UTAS Act that the Council of the University is required to furnish a copy of the annual report to the Minister for Education, and that the Minister 'is to cause a copy of the report to be laid before both Houses of Parliament within the first 10 sitting days of each House after the report is received by the Minister'.[7]

The Committee also noted that at the time of this Report, the Legislative Council Select Committee was conducting inquiries into the UTAS Act with particular reference to:

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[3] See *University of Tasmania Act 1992* (Tas), https://www.legislation.tas.gov.au/view/whole/html/inforce/current/act-1992-051
[4] See University of Tasmania, ACNC, https://www.acnc.gov.au/charity/charities/e1a80a4d-39af-e811-a95e-000d3ad24c60/profile
[5] See Part 9, Administrative Arrangements Order 2024, https://www.legislation.tas.gov.au/view/html/asmade/sr-2024-010#JS1@HS9@EN
[6] See University of Tasmania Annual Financial Statements – 31 December 2023, https://acncpubfilesprodstorage.blob.core.windows.net/public/e1a80a4d-39af-e811-a95e-000d3ad24c60-c8e8ff17-24e7-430e-98e0-4e8f76de9f72-Financial%20Report-60eeb798-2734-ef11-8e4e-00224811f588-2023_Financial_Statements_-_Final_Signed_with_Audit_Report.pdf
[7] See section 12 Annual report of the Council, *University of Tasmania Act 1992* (TAS)

- the constitution, functions and powers of the University
- the constitution, role, powers and obligations of the Council and Academic Senate
- the appropriateness of the Act to ensure accountable executive, fiscal and academic decision-making
- the appropriateness of the Act to protect and promote academic freedom, independence and autonomy, and
- any other matters incidental thereto.[8] [9]

With the aforementioned in mind, the Committee sought to bring to the public record UTAS' current and future financial projections.

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[8] See Legislative Council Select Committee, Inquiry into the Provisions of the *University of Tasmania Act 1992*, Terms of Reference, https://www.parliament.tas.gov.au/__data/assets/pdf_file/0020/57017/cof.cor.220525.mem.clerk-assistant.lcscutas.sp.001.pdf

[9] The final report was tabled on 23 December 2024: see https://www.parliament.tas.gov.au/__data/assets/pdf_file/0026/88721/LCSC-UTAS-Act-Final-Report-23-December-2024.pdf

Responses

Statutory Position and Oversight of UTAS Operations

Noting UTAS receives funding from the Australian and State governments, as outlined in the following chapters, the Committee sought to understand the statutory position of UTAS in relation to its accountability and financial performance.

At the public hearing, Ms Jane Beaumont (General Counsel) confirmed the legal status of UTAS:

> ***CHAIR*** *- ...in terms of a broader question perhaps about the basic legal structure of UTAS, ... who owns it? ...*
>
> ***Ms BEAUMONT*** *- Like all public universities, it's a body corporate established by statute. That's its corporate name and it's owned by its members. If you look at the UTAS Act, you can see that the members are students, staff, council members. It's quite unique in terms of its structuring. Unlike what you would see down here in terms of a GBE*[10] *and a SOC,*[11] *it comes in and out of different frameworks.*
>
> ***CHAIR*** *- Who is it responsible to under that legal framework?*
>
> ***Ms BEAUMONT*** *- It's responsible to Council. Council is its ultimate governance. It's equivalent of a board.*
>
> ***CHAIR*** *- Even though it's under a State statute.*
>
> ***Ms BEAUMONT*** *- Yes.*
>
> ***Prof BLACK*** *- It's also responsible to federal regulators. Most of what University has done is not regulated by State Governments. They're regulated by the Commonwealth, because they provide virtually all the funding for our universities and the regulatory environment that universities have is one of the most rigorous you find of any sector. TEQSA,*[12] *the national regulator, regulates universities very closely. You'll see the very substantial set of standards that they set for universities that they monitor, we adhere to. And they then do a periodic, super detailed review of every university to ensure they're compliant with all of those. If people make complaints, they make them to TEQSA, TEQSA investigates those complaints.*
>
> ...
>
> ***Prof BLACK*** *- ... It's a very substantial Government agency. We are also governed regulatorily, our international student activities, subject to a different act, which again is subject to detailed regulatory oversight. And then there's a whole series of other pieces of legislation. ...*
>
> ...

[10] Government Business Enterprise
[11] State-Owned Corporation
[12] Tertiary Education Quality and Standards Authority

__CHAIR__ - … who does UTAS report to … Also, the relationship with the State, being as you're under a State statute, and the legal and practical aspects of that.

__Ms BEAUMONT__ - … The legal answer - it is the Council that is the overall reporting governance accountability. In terms of the State, we also have oversight from the Integrity Commission and the Ombudsman, so like GBE or a SOC down here. Then we report to the State Parliament in terms of our annual report, appearing through committees like this one today, and then we have informal and relationship management with ministers down here.

__CHAIR__ - There's also the provision around your borrowings. … This is where this focus of this Committee is around the financial. I'm just trying to establish the legal status first and then go for that part.

__Ms BEAUMONT__ - The UTAS Act has been around since pre-World War I and the borrowing power is effectively the only part of the UTAS Act that puts some sort of legal requirement on the University to engage with the State Government. That's the legal framework. So, in terms of, for example, the green bonds that we entered into in early 2022, we went through a process of obtaining the Treasurer approval and then engaging with Treasury and entering into negotiations with Treasury and then going to market for the green bonds.
…
__Ms BEAUMONT__ - So, the short answer: that is the only part of the University of Tasmania Act that requires us to formally engage with any part of the Tasmanian Government.[13]

Further information with regards to the $280 million green bonds arrangement entered into by UTAS in 2022 is provided under Attachment C (page 7) and Attachments G to M. UTAS' plans to repay the $280 million is provided under Attachment E (page 6) and noted in slides 15 and 20 (Attachment B).

Ministerial Oversight of UTAS

The Committee noted that whilst UTAS was under the purview of the Minister for Education, the UTAS Act only provided for the following:

- the ability for the Minister to appoint two persons to the Council of the University (section 8(1)(d))[14]
- under section 8(5), before making an appointment to the Council, the Minister and Council must:
    - give public notification of the vacancy,
    - consult with each other about any intended appointment, and
    - have regard to the balance of skills and experience, regional representation and an appropriate gender balance,
- the tabling of the UTAS Annual Report as per section 12(3).

[13] See Transcript of evidence, Public Hearings (22 August 2024), p.15-17
[14] Each of whom must not be a student or member of the academic staff or professional staff and of whom at least one must be a graduate of the University, section 8(1)(d) *University of Tasmania Act 1992* (Tas)

This was confirmed at the public hearings by Hon Jo Palmer MLC (Minister for Education) and Ms Alice Blake (Deputy Director, Strategic Policy and Projects – Department of Education (DoE)):

> ***Ms PALMER*** *- … As Minister for Education, I support a vision of UTAS working in partnership with the Government, with TAFE*[15] *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.*
> *…*
> ***CHAIR*** *- … We do appreciate that the Minister for Education's role is limited and that you are not directly - or indirectly, for that matter - responsible for the financial position … 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*** *- … My understanding is that the current members are in place now until 2027, so that's it 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. …*
>
> ***Ms BLAKE*** *- … 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 … in any of the previous processes. So, we didn't have a paper trail or record.*

[15] Technical and Further Education

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? …*

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

CHAIR *- … 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 [2027].*[16]

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.*[17]

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*

[16] A person appointed by the Minister may hold office for a term up to three (3) years: see Schedule 1 Clause 1(a) (Terms of Office) *University of Tasmania Act 1992*

[17] Both ministerial appointees' terms were extended under letter (dated 13 February 2024) by Hon Roger Jaensch MP (then Minister for Education, Children and Youth) to 1 April 2027

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 *- … 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 *- … I know that when UTAS themselves appeared before the Committee … there was an indication that UTAS was only accountable to the UTAS Council. …*
…
CHAIR *- … 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.*[18]

With respect to the tabling of the UTAS Annual Report, Minister Palmer shared the following:

> ***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 report. I don't think you'd want to be an 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.*[19]

The only other possible ministerial oversight under the Act was the caveat provided under section 7(2) whereby the University could not exercise its power to borrow money unless it has first obtained the written approval of the Treasurer.

Treasurer Barnett responded to the Committee's questions of the Government's and Treasury's role in respect to the operation of the UTAS Act:[20]

Question	Response
Does the Government have a role in ensuring the accountability of UTAS to the people of Tasmania and if so, please outline this role?	No.
Under section 7(2) of the Act, UTAS is not to exercise its power to borrow money unless it has first obtained the written approval of the Treasurer: please outline the process followed by the Treasurer when requests for borrowings have been made including - • does it require the same level of analysis, scrutiny and due diligence as would be required of other State Government entities? • does any approval come with terms and conditions as a loan offer would, and if not, how does it differ?	I understand that advice from Treasury was considered by the respective former Treasurers, when considering UTAS' requests for borrowing approvals. I consider that the level of due diligence applied by Treasury was appropriate in these instances. It is at the discretion of the Treasurer to place conditions on any borrowing approvals. In March 2021, the then Treasurer's approval for an increase in UTAS' borrowing limit, to $400 million, was subject to the following conditions:

[18] See Transcript of evidence, Public Hearings (18 September 2024), p.2-5.
[19] See Transcript of evidence, Public Hearings (18 September 2024), p.5-6.
[20] Letter to Chair from Hon Guy Barnett MP (Treasurer) dated 8 November 2024, p.1-4

Question	Response
• does the Treasurer undertake any ongoing reviews to monitor whether the terms • and conditions of any approval are being adhered to? • does approval also include oversight of the conditions?	• UTAS 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 UTAS' request. The onus is on UTAS to ensure compliance with these obligations.
With regard to the current section 7(2) approval including all terms and conditions and any required reductions the maturity profile over time: • do you believe UTAS' $350 million Green Bond borrowing complies fully with the terms and conditions of the two Treasurer's borrowing approvals (issued by former Treasurer Hon Peter Gutwein MP) upon which UTAS relies? • please provide a full reconciliation between the terms and conditions of UTAS' $350 million Green Bond borrowing and those two borrowing approvals • have you sought legal advice on whether UTAS' $350 million Green Bond borrowing complies fully with the terms and conditions of the two borrowing approvals to UTAS, and • for the avoidance of any doubt, can you please explain why you would not retrospectively issue a borrowing approval matched to the terms and conditions of UTAS' Green Bond rather than risk legal action by a creditor?	Yes, I believe the current Bond Program is consistent with the approvals issued in March 2021. The $350 million capital raising through this exercise is within the $400 million borrowing limit. Therefore, I do not consider any further action, such as seeking legal advice or a retrospective borrowing approval, is necessary.
What analysis did Treasury undertake when considering the current section 7(2) approvals and please provide any evidence of how the Treasurer informed their decision on UTAS' future capacity to repay its debts.	As noted above, I understand that advice from Treasury was considered by the respective former Treasurers, when considering UTAS' requests for borrowing approvals. For instance, I understand that the analysis provided by Treasury, relating to UTAS' $400 million borrowing request for the Southern Infrastructure Project, included: • background on the history of UTAS' borrowing requirements • information in relation to the borrowing guarantee provided by the then Treasurer in context of the COVID-19 pandemic • commentary on the potential impact of the request on the State's credit rating (noting that this was relevant at the time because UTAS was considering borrowing through TASCORP,[21] but this is no longer relevant)

[21] Tasmanian Public Finance Corporation

Question	Response

	• a description and analysis of the request, including:
	  ○ the context to the proposal and UTAS' governance structures
	  ○ project costs and funding requirements, including proposed debt structures
	  ○ financial modelling and key assumptions, including commentary on its revenue and cost profile and capital expenditure estimates
	  ○ potential downside scenarios
	  ○ TASCORP's credit assessment
	  ○ options available to the Treasurer, and
	  ○ other funding sources available to UTAS.

Are you aware of any other Government agency that may have assessed UTAS plans, and if so which agency?	No.
Has Treasury been asked or has it undertaken any analysis of UTAS proposed $500 million STEM facility and if so, what did the analysis find?	I understand that Treasury provided advice to the then Treasurer on UTAS' STEM proposal in both 2017 and 2018. The advice was for noting only. As noted above, Treasury later provided advice to the Treasurer on UTAS' borrowing requirements for the broader Southern Infrastructure Project.
Are you aware of formal requests from UTAS regarding State Government assistance to fund the STEM project: • if so, when and how much was requested, and • what was the Government's/then Treasurer's response?	No, I am not aware of any formal requests for assistance to fund the STEM project.
Moodys' favourable credit rating of UTAS is largely based on the 'oversight' by the Commonwealth and State governments: • the previous Treasurer (Hon Michael Ferguson MP) indicated to another Legislative Council Committee Inquiry that he thought the Commonwealth Government would provide additional funding to UTAS if this was required - as Treasurer do you concur with that view? • are you aware or have you discussed with the Commonwealth any avenue for additional funds? • the UTAS Vice Chancellor (Professor Rufus Black) informed a Legislative Council Committee Inquiry that he thought that the State Government would provide additional funding support to UTAS if needed. He later informed this Committee on 22 August 2024 that UTAS would not require such funding, but that it would become a smaller university.	I expect that the Australian Government would consider additional funding to UTAS, if the situation presented. However, I have not discussed this with the Australian Government. The State Government has no role in determining the size of the University.

Question	Response
Would the State Government allow UTAS to become a smaller university rather than providing more assistance?	
In 2017, UTAS entered into a Purpose Built Student Accommodation Agreement (PBSAA) with the Spark Living Consortium. The current Act predates such service concession arrangements and does not define the word 'borrow'. With this in mind: • do you consider a borrowing like arrangement such as the PBSAA to fall under the ambit of section 7(2) as contemplated by Parliament in 1992? • did the Treasurer seek advice on the matter? • did UTAS tell the Treasurer about the deal, and if so, when was the Treasurer informed and what was the Treasurer's response?	No, I do not consider that these are like borrowing arrangements. UTAS' financial statements present this arrangement as a "grant of right to operate" which is presented as an "other liability", not as debt. The financial statements were independently audited by the Auditor-General and no concerns were reported in relation to the accounting treatment.

Committee Findings

F1. UTAS operates according to the *University of Tasmania Act 1992* (Tas).

F2. UTAS operates uniquely as Tasmania's sole university and is neither a government business enterprise nor a state-owned corporation, and there is no provision under the University of Tasmania Act 1992 for routine financial scrutiny of Parliament.

F3. The University of Tasmania Act 1992 requires:

a. annual reporting to the Minister for Education, with the report required to be tabled in Parliament

b. the Minister for Education to appoint two members to the University Council, and

c. approval by the Treasurer for additional borrowings including the Treasurer's ability to place conditions on such borrowings.

F4. UTAS' reporting requirements, in terms of governance, accountability and financial management, is to the University Council.

F5. UTAS is subject to annual financial performance oversight from the Tasmanian Audit Office, and oversight from the Tasmanian Integrity Commission and the Ombudsman Tasmania.

F6. Beyond the oversight provided under the *University of Tasmania Act 1992*, UTAS is also subject to federal government education regulators including Tertiary Education Quality and Standards Authority.

Committee Recommendations

R1. Through the relevant parliamentary committees, Parliament undertake regular scrutiny of UTAS' financial performance.

UTAS Financial Position

Current Financial Position

The UTAS 2023 Annual Report noted the following in its financial overview:

> *The economic environment in which the University of Tasmania is operating is a challenging one. While domestic student revenue and research income is stable and our asset base is strong, we saw continuing volatility in the international student market in 2023 and faced considerable inflationary cost pressures.*
>
> *Set out in 2018's Strategic Directions paper and the following Strategic Plan 2019-2024, our focus on strengthening domestic student numbers and diversifying the origins of our international students to reduce financial risk has proven prudent.*
>
> *We have maintained a substantial and stable base of domestic revenue.*
>
> *However, successive external shocks have had and continue to have a significant effect on the international student market. The first and biggest was of course the global pandemic. This was followed by changes in Chinese domestic policy which steered its students towards global top 100 institutions, concentrating the largest overseas student market in relatively few Australian universities. Most recently, Australian changes to migration policy saw a slowdown in processing and an increase in refusals for student visas starting in late 2023.*
>
> *These changes have impacted regional universities like ours in particular and effectively capped international student numbers.*
>
> *Inflation has also caused pressure on our financial result in 2023. We have seen the costs of living increase significantly, and the high inflationary environment has impacted our operating costs at a time when our revenue environment is challenging.*
>
> *These challenges are reflected in our financial result for 2023. We are addressing the impacts of each of these areas in a considered way to ensure minimal disruption to operations, which means we have absorbed some of the lower revenues into our profit result. We are making the adjustments needed to get our result back into profit in 2024.*[22]

In the 2023 UTAS Annual Report, the financial statements show the Australian Government provided total financial assistance of $504.811 million which was made up of a range of grants, research and other funding. This was a reduction from $554.814 million in 2022. The

[22] See UTAS Annual Report 2023, https://www.utas.edu.au/__data/assets/pdf_file/0011/1713881/Annual-Report-2023.pdf, p.70

total State and local government financial assistance in 2023 was $15.625 million which was a reduction from $42.236 million in 2022.[23]

At the public hearings, Professor Rufus Black (UTAS Vice Chancellor and President) made the following statement with respect to the current UTAS financial position:

> ***Prof BLACK*** *- ... In setting a frame today, the overall picture we would like to set out seeks to provide the context in which the University's finances operate, because that context largely and substantially governs how the University performs. This is a moment in Australian higher education where we are undergoing the largest change it has seen, really, since the late 1980s and early 1990s. It is a transition from an era which has seen a rapid, market-driven growth of higher education in Australia over that period, including its substantial internationalisation.*
>
> *We are now moving to a very different world of a managed system where it is a very low-growth environment, both on the domestic and international student front. A very different world to the one we have been in for a long time.*
>
> *We, as a university, enter that world as a university with a very broad mission in which we have to teach, research and provide all our university offerings right across Tasmania. We see that mission, which defines our character and who we are as a university, is to serve Tasmania. To ensure it has the students, the skills, that it needs, the research that the state requires, in all of its places. That's at the core of who we are.*
>
> *Under the way that higher education has been funded to date, that is a very high-cost mission, for which we have never been fully funded. The result is it's a very careful and delicate balancing act to ensure that we can sustain the University's finances, look after our staff and students and deliver that mission, ... The piece that always present has always in its entire history, in all funding schemes at the University's ever had, the challenge it has always presented us with is generating enough of a surplus to replenish our assets over time.*
>
> *We have managed that task, to replenish our assets, by seeking assistance from Government, innovative finance and the prudent use of debt, and that's always meant that we have had to have - and have had - very good governance to ensure those long-term multi-generational tasks are well stewarded.*
>
> *In the current environment, though, in a low-growth environment, those strategies that we've used to date aren't available in the way they were before. What that means for us as University is, to be long-term sustainable in this low-growth environment, where there isn't a substantial amount of capital to keep replenishment going, we need to see three things to ensure our financially sustainable future.*

[23] See Notes 2.1 and 2.2, UTAS Annual Financial Statements 2023, p.85-86, https://www.utas.edu.au/__data/assets/pdf_file/0011/1713881/Annual-Report-2023.pdf

We need to see the recommendations that the Government is implementing out of a major review into higher education that was conducted called the Accord,[24] *which maps this set of changes. We need to see those implemented in full. We need to see the work on the Australian migration system as it affects international students implemented: and then we will need Government assistance for the next round of capital replenishment, which is a renewal of our STEM*[25] *facilities in the south, or of the kind of core part of our STEM facilities, and we would need to make a contribution. So, we need some unencumbered assets in order to be able to do that.*

That's the kind of nutshell picture of where we are at in our totality. The sector story, though, is a very, very important context, because that is redefining for all Australian universities their financial circumstances and doing it very substantially and, for some, in deeply challenging ways. It's worth us, kind of, being aware of the dramatic change that's occurred in higher education that's taken us from that period in the late 1980s, early 1990s to today.

It has fundamentally changed the economics, finance, scale and nature of Australian universities. They have changed as our economy's changed, as our economy's gone from needing a fairly low number of students with higher education qualifications to one where a third or more of the population need higher education qualifications, and that grows all the time. Australia's had to educate a very much larger number of people. So, from back in the 1980s, when we had perhaps quarter of a million people in higher education, we now have more than three quarters of a million people. Where Australian universities were once about 10,000 people, they now heading towards 40,000 students on average in an average-size university. Some are even larger.

During that period, we've also seen the arrival of the internet at scale and that is also dramatically changed the way people attend university, and that's been an important part of making university accessible. So, around the nation, just short of a third of people study online, and then we've seen, as Government sought to fund it, dramatic growth in international students to help deal with that set of challenges.

If you look at the picture of how that's changed … we've seen through this period of very dramatic growth from those days in the 1990s through to the late 2010s an enormous expansion of higher education that drove the economics of Australian universities. Year on year, you could do more and more. You had more and more students, funding increased year-on-year right through in total through that time.

However, we hit a point in the late 2010s where Government started to cap it, put a limit on the number of students, and essentially Australian higher education has had a flat number of domestic students really since the late 2010s. Now that period of growth did change the composition of Australian universities in really important ways. It saw a lot lower SES[26] *students particularly. We've seen that here in Tasmania. We saw indigenous*

[24] See in general Australian Universities Accord, Australian Government Department of Education, https://www.education.gov.au/australian-universities-accord [Accessed 18 March 2025]
[25] Science, Technology, Engineering and Mathematics
[26] Socio-economic status

students doubling their numbers, we saw the number of people with disabilities in universities increase, and a very dramatic expansion in regional and rural education.

But that expansion has come to an end, and it isn't just the Government capped it. Even if the Government hadn't capped it, we've reached a point where there is no latent demand left really in the Australian higher education 'market', if you want to characterise it that way. And that's really because we've hit a point where universities now, they accept pretty much everyone who is qualified to go to university now goes university. That is true here in Tasmania. In fact, there has been a downward pressure on universities because across the nation, since 2018 in both inner and outer regional areas, we have seen significant decline in the number of students completing school successfully. We have also seen a full employment economy with well-paid trades so there have been plenty of vocation opportunities where some of those folks might once have looked towards universities.

This is a very different world to the world that university finances were built on. At the same time as universities grew, the cost of Government grew at levels which Government struggled to sustain. Their solution to that, their growing total cost was, on the one hand, to reduce the amount universities got per student, meaning we got less and less each year from those early teens onwards, and to move more of the cost towards students, so their HECS[27] *contribution has grown substantially from around 20 per cent to nearly 50 per cent of the cost of education.*

As universities sought to manage that set of cost challenges, one of the ways in which they did that was to seek to grow their international student market, something which Australia has been distinctively successful at doing, a lot of innovation in universities that have delivered that.

As we entered that world, Australia also needed to expand the amount of research it did in order to meet an increasingly knowledge-intensive economy. Research is significantly underfunded in Australia and international students have played a very important role in funding research, the necessary cross-subsidies that are required in order to fund research when it is not fully funded by the Government.

Now that picture of international students hit the challenge when COVID[28] *arrived. COVID saw a dramatic decline in international student numbers across the country and as you can imagine, because you can see how dependent on them our finances were, that had a very substantial impact on university finances. As COVID came to an end, there had actually been a series of changes both in international migration settings and our domestic ones.*

The international settings, which biggest changes were in China, has seen a very rapid rebound but actually only to a very small number of universities. Chinese policy changes have directed international students really to five major Australian universities who had

[27] Higher education contribution scheme
[28] **Coronavirus disease**

then been able to leverage the scale of those students under our visa scheme to in fact then get students through a whole range of other countries.

That has accelerated so rapidly that Government has understandably wanted to bring international students into a more kind of planned migration system and now is proposing to cap it. We do not know what those caps will be, which creates a very high level of uncertainty in the sector and for some universities will present very serious challenges.

One of the big impacts of this has been for regional universities around the country. They have seen a significant drop in a very short time. The very recent changes came into effect in December [2023] *after universities' budgets were set and it has been highly disruptive to the sector this year to suddenly have dramatically fewer students than you had planned on, that were budgeted for as a result of those measures. The Government is seeking to address that, but it has caused very significant financial challenges right around important part of the sector.*

The other pieces, as we are in that world of the cost challenges that we need to be able to meet, is that as we have seen that growth and the change in the character of students, we have also seen a change in the profile of students. We have seen a much larger number of older students enter, a much larger number of part time students and a larger number of online students. That increases the per student cost quite significantly. When you have a part time student, while you still can have very large number of students they do not add up to the same amount of revenue. So, you are still having to manage the fact that you have a lot of students yet you do not have the same revenue per student to actually manage that.

That increases the cost significantly. Some people think online is cheaper. That is absolutely not true. In fact, it often significantly increases the costs where you have to provide on campus and online in order to meet the requirements that people, particularly those older age cohorts, have to achieve access. If you did a simple, kind of a rough picture - just in the licences to maintain the software used to drive things online, it costs you about $25 million versus $10 million in just maintaining campuses. Online is not a cheaper option and that has increased the cost base for universities. We have a larger number but each of them is costing more and we get less per student and we have now caps on international students.

When we look ahead to the settings the sector now has, we really look ahead to a much flatter world of higher education. This is a world completely unlike the one that the sector has grown up with, really, since the 1990s, where we see a flat number of domestic students and very little growth once we have restoration of the cap number the Government will introduce, and a very flat number of international students. Basically, a capped domestic and capped international environment. That is a very different set of circumstances.

The [Australian] *Universities Accord,*[29] *which is this blueprint created for Government about the future of higher education and sets out long-term ambitions to see more Australians receive higher education - and we know how enormously important that will be to social inclusion and economic progress - it will take a long time for that to cut in. Almost all the growth will need to come through pathways programs.*

The new funding scheme proposed under it - which is, if you like, a Gonski-like model for universities - will benefit the University of Tasmania. It's really important we receive it because, as a needs-based system, which also has a large category for rural and regional student funding, it will enable us to be better funded, more securely funded. However, we don't anticipate it will increase the total quantum of funding, because right now under the Higher Education Continuity Scheme, I guarantee we receive a higher level of per-student funding in practice. We don't anticipate that it will change it - it will just make the fact that we need that funding a much more secure feature of the system.

So, it won't fundamentally transform our economics, but it will make them more stable and predictable. It will mean that the underlying model that supports higher education in Australia will much better align to universities like Tasmania that play a pivotal role in the national mission of ensuring we create access equity for everyone in our community, in all places and for people of all backgrounds. That's something at the very heart of our mission and that we hold dearly - to ensure that all those students receive as good an education as you could receive anywhere in the nation, no matter where they are in Tasmania or whatever their background.[30]

At the public hearing, Mr Ben Rose (Chief Financial Officer, UTAS), Mr Craig Barling (Deputy Vice-Chancellor, Student Services and Operations, UTAS) and Ms Alicia Leis (Deputy Chancellor, Chair of the University Council's Audit and Risk Committee) spoke to UTAS' earnings before interest, tax, depreciation and amortisation (EBITDA):

CHAIR *- … I am just trying to understand exactly where your figures come from for this and what is included in your EBITDA figure of one,*[31] *because it looks like that is possibly from the cash flows, rather -*

Mr ROSE *- EBITDA, … is commonly used as a proxy for cash you generate from your business. That is what EBITDA is commonly referred to.*

We have focused on EBITDA internally a lot. It is a figure that we use to set our targets and manage internally. You can see on the slide that was presented there that there is that line halfway down: Cash Operating Result EBITDA $1 million. That is what we call our operating EBITDA. That is effectively the figure that we manage when we report internally. That reflects what we call our core operations and our teaching, learning and our operating funded research -

[29] On 25 February 2024, the Hon Jason Clare MP, Minister for Education, released the Australian Universities Accord Final Report. The Australian Universities Accord Final Report contains 47 recommendations for the Australian Government's consideration and aims to create a long-term reform plan for the higher education sector to meet Australia's future skills needs: see https://www.education.gov.au/download/17990/australian-universities-accord-final-report-document/36760/australian-universities-accord-final-report/pdf
[30] See Transcript of evidence, Public Hearings (22 August 2024), p.1-5.
[31] See Slide 29, Attachment A

CHAIR *- Does not include interest?*

Mr ROSE *- Does not include interest. In the financial statements, in the cash flow from operations, they are proxies for each other, but they are not exactly the same thing. So, the cashflow from operations in the cash flow statements -*
CHAIR *- So, using the accrual method, how would your EBITDA change?*

Mr ROSE *- That is using the accrual method, …*

CHAIR *- Are you not using a cash figure?*

Mr ROSE *- They are proxies for each other. The way accruals work is usually, it is a timing matter and quite often what you find is you have accruals one year and accruals the next and they will effectively be the same number and effectively they wash out.*

Mr BARLING *- And I think, 'Why do we use EBITDA?' - because the financial statements are the financial statements. They are governed by a set of accounting rules, which are really important to help people get consistency of understanding. EBITDA is largely used in monitoring financial performance. Moody's, our rating agency, use it. As has been said, it gives a good proxy throughout the year of what that cash operating result in our financial statements will look like, and it does reflect to us the core operations of our University. We use EBITDA internally. It is not necessarily directly and able to be reconciled to the dollar to that every month, but at the end of the year we do that exercise but the EBITDA is more the figure we use on an ongoing basis to help manage the university's financial performance.*

CHAIR *- … I understand the word 'earnings' in EBITDA, which is the 'E', refers to earnings on an accrual basis, not a cash basis, which is how you report this. Is that correct?*

Mr BARLING *- That is correct.*

CHAIR *- It seems to me that this does not quite reflect the true position. I know that the Council has been talking about this, as recorded in the minutes, for over the last year and concerned about the state.*

Mr ROSE *- … you can see that there is the core operating results, so the earnings number in the middle there - 49.3 with a red circle around it - that is the earnings number when we reported our performance report and our internal manager report. That is that core figure.*

There are a bunch of things listed beneath that, some of which would impact EBITDA as it gets reported in the financial statements. There is a difference between internal management reporting and the financial statement reporting, because that is all inclusive.

CHAIR *- In terms of these restructuring costs, movement of restricted funds, et cetera, there are a number of these, it seems to me, from a look at other information in your* *financials, and that there is money, or cash effectively, that is not available to you, provided for a research grant that has been provided in advance, scholarships, those sorts of things. I am interested whether you see a position currently, according to this, you don't have enough cash to deliver the mission of educating our students or the students that come to UTAS. If that is the case and that continues, because we know the budget was set on a slightly different expectation of international student numbers, what does that then mean?*

***Mr BARLING** - I think we do have enough cash to deliver on our commitments. ... I think we have given you a picture today of the complexity that exists particularly from an external funding perspective and also the cost pressures that we as a university incur as a university for this State that has that broad mission and wanting to make sure anybody in Tasmania who wants a higher education degree can have it with us.*

There is a chart ... that clearly articulates our cash and investment position is enough to deliver on our capital commitments and our balance sheet is strong. There's no challenge with the amount of reserves we hold. Some universities use prepaid research grants to borrow against. We don't do that. We preserve them and we look after them. We preserve our scholarship funds and look after them.

...

***Mr BARLING** - We have enough money within the amount of the investment portfolio we run, plus the ability of other cash assets and other assets we hold, to deliver on our commitments.*[32] *... What the challenge is that we've tried to articulate today, as much as we are viable and our governing body takes a strong role in that, is that we can't replenish our assets without help. ... you'll see that there's a number of different projects that we've had that are successful for this State, up to nearly a billion dollars we've invested in the State from a capital construction perspective. Nearly every single one of them has needed external help and that's not going to change. So as much as we have enough money - we balance our books well and we are sustainable - we do need help when it comes to replenishing our assets.*

Back to the earlier point, that is really important from a student attraction perspective, which hopefully from this presentation you've understood is critical to our financial future.

***Prof BLACK** - ... we couldn't run the University on the base of those numbers year on year and nor are we intending to. That's not the plan.*

...

***Prof BLACK** - But nor should it surprise anybody that those numbers are the way they are given the environment we've been navigating through. Our choice, we could have chosen not to have those numbers, but that would have meant cutting these things that at the core of what's delivering our mission or cutting staff in really dramatic ways. You're seeing that out of the universities, they're choosing to lose lots of staff. We've chosen not to do that. Now that means, and this is why good governance ... really matters to actually have the courage as a university to navigate through difficult times and maintain your*

[32] See Slide 42, Attachment A

commitment to your mission as you reorganise how you financially work to make sure you are long term sustainable.

So, a single year snapshot does not represent the way the University has gone about the long-term task of ensuring that it is financially sustainable but also delivers its mission, because if we aim to deliver the numbers every single year, we would damage Tasmania and we're not prepared to do that. As a strong University with a strong balance sheet, we can manage through difficult times. We've done that before, we're doing it now.
…
Mr BARLING *- … We delivered to our budget last year, as much as Rufus said that's not an attractive number, it was a committed number that we had and we knew what we were absorbing and we knew we could. This year we've got a budget target of $15 million. We're going to hit that number. The years is far enough progressed where we are within range of hitting that number. The year before that we hit our budget and there's been all these revenue challenges every year for this University for three or four years. So just really want to make the statement that as much as the numbers look challenging because they are because of the context which Rufus is given, we are managing the University to the budgets we set with our governing body.*

Ms LEIS *- … Council has been very cognisant of these challenges that we have. If you look at the way we've constructed that, the way we're looking at it from a Council governance perspective is the core operating result of EBITDA has to be at a certain level to sustain the long-term capital requirements of the university for long term sustainability. So, from a Council perspective, we are driving parameters around our financial performance that requires us to get to a positive EBITDA and budget target as … outlined. That is critically important for us.*

The other part that's really important for us in trying to navigate this is if you ask us, what do we want to do? Do we want to manage short-term cost to deal with this challenge or do we want to activate the balance sheet to ensure that we can do this in a long-term sustainable way that positions this University for the future of Tasmania? That is what we're looking at also. So, the governing Council has put in parameters around cost management to manage the short term in light of the inherent risk around the funding and the revenue sources. But we are also looking - and this is the challenge that we've really got to have front and centre - is what does the balance sheet look like and how do we make sure that that is activated and utilised to ensure the long-term sustainability of the university?[33]

The Committee heard from Professor Black, Ms Jane Beaumont (General Counsel, UTAS) and Mr Barling with respect to a hypothetical situation should UTAS need to seek a bail-out:

CHAIR *- … if for some reason the situation becomes worse because of - we don't know what the Federal Government is going to do, and I know we're talking hypotheticals now - but what is the expectation of UTAS should the situation become worse and financially you're in a more desperate situation, the balance sheets being used to the fullest extent? Who bails out UTAS?*

[33] See Transcript of evidence, Public Hearings (22 August 2024), p.31-34

Prof BLACK *- People don't 'bail us out'. We're not - the strength of the University- in the end, if you have to do that, you just have to become a smaller university. That's not what we want to do. You can just become smaller. ... - and that's why we need to navigate our way through it, because you can start to cut those courses that actually Tasmania needs. You could start to not have regional locations, which Tasmania needs. So, you can make the University viable, but it wouldn't be - if you did that - the question I think communities would have is these are really valuable things.*

If you look at - because that northern piece that we talked about, the $40 million to $60 million we spend a year, which has an economic multiplier of two to three times that level of investment - it would actually make deep economic sense for Tasmania to say, 'That should be our investment.' Because that's returning two to three times the economic growth that we put into that. I think you wouldn't be looking - it would be a policy choice for Tasmania about what did it want for its community. We'll keep the University viable, no question about that.

CHAIR *- Yes, I understand the measures that could be required to do that, but would part of that be going back to the Treasurer and saying, 'We want to extend our borrowing limit,' or?*

Ms BEAUMONT *- ... The University of Tasmania, like other public universities, is corporate. In terms of the bail-out question, it would be similar to a corporate entity, and you look to the Corporations Act. So, administration, insolvency, those sort of provisions would kick in. I know people talk about a Commonwealth bail-out, but there is no Commonwealth underwriting of the University.*

CHAIR *- ... Or State?*

Ms BEAUMONT *- No, that's right.*

CHAIR *- Other than going to the Treasurer for higher borrowing, potentially.*

Mr BARLING *- If I could just comment more conceptually on this. We're not doing this on a wing and a prayer. There's planning around this. We do a 10-year outlook around what we're doing. It has a bunch of scenarios in it. The reason why we've been able to plan around having results like we've had and absorbed the impact that COVID had and then the migration settings, is because we run those scenarios. We run them every year, and we report them through to our strategic resourcing committee, and that goes to Council. So, we do have a 10-year outlook around what we're planning here. It's why I can confidently sit here and say we've got the money to do what we've committed to doing.*[34]

The Committee notes that the 5 August 2024 Moody's Ratings Credit Opinion Report for UTAS provided an updated credit rating (Aa2) with an amended outlook from 'stable' to 'negative': a copy of that report is provided under Attachment D.

[34] See Transcript of evidence, Public Hearings (22 August 2024), p.34-35

Newnham Campus Land Use Covenant

At the public hearing, the Committee heard from Mr Barling and Ms Beaumont around UTAS' capital commitments in the short-term in general and the covenants that existed on the Newnham campus (Launceston) in particular:

> ***Mr BARLING*** *- … A reminder around where we're starting and the next two years of our funding profile. This sets out our capital commitments over the next two years and how they're going to be funded. What's really important to understand - we made this point last time we were here, but to reiterate - our university has the capacity to fund our current commitments, and they're significant. We have capital expenditure of $30 million: $28 million in the north for TIA (Tasmanian Institute for Agriculture). Our annual sustaining capital is $30 million a year. The southern projects, being IMAS[35] Taroona, and Forestry, will cost almost $200 million in that time, and the northern campus transformation still has $37 million to expend over the next six months.*
>
> *We have the resources for that. Between our cash reserves, our investment portfolio, surplus assets, and existing debt, as well as the grant money still to come from the Government, we have more than enough capacity to fund our current commitments. I know there has been speculation about that, but we are quite certain and secure in our funding sources around that.*
>
> ***CHAIR*** *- That's all Federal Government grants you're referring to?*
>
> ***Mr BARLING*** *- The northern grant money … is actually the State money that's remaining. The Federal Government money has all been received.*
>
> ***MR WILLIE*** *- Is there a hold up with that?*
>
> ***Mr BARLING*** *- There have been some challenges with that. When the funding deed was developed, the Inveresk construction was tied to the Newnham campus, ... With the tying of that funding to Newnham, the State Government was required to lift the education covenant on Newnham for us, which was tied to the funding we get and it wasn't our deliverable. There have been some delays in that. We've now negotiated that with the Government to separate those two things, but the fact is, that Newnham piece has caused us a great deal of challenge in the sense that, as we looked at Newnham, it was a key part of our contribution to funding the project. We had in our plan that we would be able to realise some value from that site to be able to contribute to the Inveresk project.*
>
> *The negotiations around lifting that covenant have now taken six years. We now have to go through two houses of Parliament to get approval for that covenant to be lifted, and it sort of sets the tone for - the restrictions that are placed upon us sometimes have a big impact on our financial sustainability because we have not been able to realise that opportunity with the northern campus and we've been waiting, like I said, for six years for that to be addressed.*

[35] Institute for Marine and Antarctic Studies

***MR WILLIE** - That's if the Bill passes.* [36]

***Mr BARLING** - That is very much still subject to that process, yes. If the Bill doesn't pass, we get the land with the covenant on it forever. Therefore, that site is restricted in terms of how we develop it forever, which is bad for us, but also for the northern communities. That site is a great site for housing: we developed a master plan in conjunction with the community who were very supportive. It generates housing and a lot of affordable housing, which we know the State needs. Right now, we can't do that because this piece of land and the ability to develop it is constrained by the approval of two houses of Parliament.*

…

***Ms THOMAS** - When you say what's being proposed, under the existing legislation framework, there is a covenant on the Newnham land that requires a bill to go through Parliament.*

***MR WILLIE** - Is it a disallowance?*

***Mr BARLING** -No, the Newnham process is slightly different. ….*

***Ms BEAUMONT** -The Newnham land matter has nothing to do with the University Bill that's been first read and is sitting in Parliament. What it does have is a covenant that restricts what you can do with the Newnham campus. It needs to be lifted by the State Government and it hasn't been: that's the six-year delay. There is going to be a disallowable instrument introduced into Parliament: it's called a Section 64 process. That's what we need to be achieved to be able to have the land handed back to the University, for us to be able to both provide the educational opportunities for our students on Newnham and to do what we need to do with the rest of the land.*

***Mr BEHRAKIS** - What are the covenants that are sitting on it at the moment? Is it that you can't develop - what are they restricting?*

***Ms BEAUMONT** - It's covenant on title. It's very similar to what you see in the planning scheme when it talks about what you can use land for. At the moment it's for educational purposes only.*

***MR WILLIE** - Just for clarity, there's obviously a bill before Parliament, if that passes, then that land* [the Newnham Campus] *will also be subject to that.*

***Ms BEAUMONT** -That's absolutely right. The UTAS bill that's in Parliament at the moment does two things: it deals with Sandy Bay campus and then it allows for other university land, as prescribed, to be caught by the disposal restriction.*

***Mr BARLING** - To put the reality to that: developing that site - we've had a great plan with the Federal Government and the State Government around a defence cadet facility we can't do because of that restriction. It's not just a development for a master plan and*

[36] See University of Tasmania (Protection of Land) Bill 2024 (31 of 2024), https://www.parliament.tas.gov.au/bills/bills2024/university-of-tasmania-protection-of-land-bill-2024-31-of-2024

housing: it actually restricts us to do a number of things that are valuable for the community that we've all agreed. Placing these restrictions on it - we've spoken to developers about the site - they will not come near it for as long as that restriction and that process is attached to it. That's the dynamic we're dealing with in the North, which may repeat itself in the South.

MR WILLIE *- Just for clarity there, too: developers won't come near it, particularly because it's exposed to Parliament or -*

Mr BARLING *- For both reasons.*

Ms THOMAS *- ... if I may ask a follow-up question, why has it taken six years? Is this something that you asked to be considered six years ago?*

Mr BARLING *- The requirement to lift the covenant was established in the deed six years ago and it has taken that amount of time to get to this point. I can't comment on the specific reasons for that. It's the State Government who is responsible for that process.*
...

Mr BARLING *- We've had negotiations and conversations with Government the whole way through, but it has come to a point where we're finishing our Inveresk campus and that Newnham campus is going to be empty in three months' time and not able to be developed in the way we want, or the community wants. The master plan in the north for Newnham was strongly supported. That process was rigorous. We did it in conjunction with the Coordinator-General's office and it was strongly supported by the community that that would be good for Newnham and the northern suburbs of Launceston, but right now we can't do anything with it.*
...

Mr SHELTON *- ... A question on history, when you've moved to the city and developed that railway site, ... What sort of value did you pay for that site? If you paid full commercial value for that site, then I can understand an argument to get full commercial value out of Newnham. If there was some negotiation, then, of course, there'd be also negotiation over Newnham.*

Mr BARLING *- The northern deal was a part of the Launceston City Deal, and as part of that Launceston City Deal, there were four contributors around the different parts of that project. The Federal Government contributed $150 million to the project. The State Government contributed $75 million to that project, I think, approximately $70 million to $75 million. We contributed our amount to the project, and the Launceston Council contributed land. Our contribution, which originally was slated as $75 million, included our contribution from our reserves, but also from realising value from Newnham, which was incorporated in our calculations of that $75 million. The land for the northern campus was contributed by the Launceston City Council as part of their contribution to the Launceston City Deal.*[37]

[37] See Transcript of evidence, Public Hearings (2 October 2024), p.4-7

In a response to a question on notice, Hon Eric Abetz MP (Minister for Business, Industry and Resources) offered an alternative view on why the removing of the land condition on the Newnham Campus had taken some time to resolve:

> *As the Committee would be aware, the relocation of UTAS's Newnham Campus to Inveresk was a key element of the Launceston City Deal (LCD), announced in 2017. Under the LCD, the Department of Defence (DoD) committed to establishing a new Defence Cadet Training Facility (DCTF) in the northern suburbs of Launceston. This relocation would allow the DoD to vacate the Paterson Barracks site, making the centrally located property available for future development.*
>
> *The Newnham Campus is subject to a land title condition requiring the property to be used for educational purposes. If UTAS ceases to use the land for this purpose, ownership reverts to the Crown. Under the LCD and through negotiations around the Northern Transformation project, the Government agreed to remove the educational condition on the title to enable UTAS to redevelop the Newnham land. This redevelopment would proceed in accordance with a Master Plan developed by UTAS and subject to Ministerial approval, which was granted on 18 September 2021.*
>
> *Before the condition on the title could be removed, several additional requirements had to be met. These included providing an updated survey plan and issuing separate titles aligned with that plan. Furthermore, UTAS and the Crown needed to agree on the terms of a mortgage deed, which the Crown would register as a first-ranking real property mortgage over the remaining Newnham land. This measure ensures that UTAS' developments align with the agreed Master Plan.*
>
> *It was agreed by parties that once these steps were completed, UTAS would surrender a portion of the land for Homes Tasmania. At the same time, the Crown would remove the educational condition, and the covenant and mortgage would take effect, with all actions occurring contemporaneously.*
>
> *In mid-2022, when the steps were about to be executed, it was determined that the method for removing the educational condition was no longer appropriate, necessitating an alternative approach. Meanwhile, the DoD had confirmed the location for its DCTF, and the relevant land had been subdivided from the main title and a sale agreed by UTAS to the DoD.*
>
> *When the issue with removing the condition arose, a solution was presented to UTAS that would ensure it was not disadvantaged during the ongoing process to remove the condition from the remaining land. However, UTAS sought to use the Government's urgency to advance the DCTF project to negotiate favourable concessions on other matters related to the Northern Transformation project.*
>
> *This led to several months of commercial and legal negotiations, during which UTAS altered its position multiple times. An in-principle agreement was eventually reached earlier this year, which was subject to Ministerial and Cabinet approval. Following these negotiations, the necessary documents to formalise the agreement were prepared and provided to UTAS in draft form.*

It is, therefore, inaccurate for UTAS to claim that it has taken six years of negotiations to remove the condition on the title to allow the redevelopment of the Newnham Campus. …

The Tasmanian Government is committed to upholding its agreements and looks forward to the resolution of this matter as soon as possible.[38]

Correspondence from Minister Abetz to the University that details the proposed process by the Crown is provided under Attachment N which states:

As you are aware, the current titles to the Newnham campus are subject to a condition that once the land ceases to be used for educational purposes, they revert to the Crown.

In order to remove that condition on title, effect the important sale of Lot 2 to the Department of Defence to progress its cadet facility and to attempt to deliver the Lot 3 land unencumbered to UTAS, the Crown has proposed (subject to final Ministerial approvals) the following process that I understand has been agreed to in principle by UTAS:

- *Contemporaneously, at a settlement between the Crown and UTAS:*
  - *the parties will exchange signed counterparts of (i) a deed varying and restating the Inveresk Grant Deed; (ii) a deed of surrender of the Newnham land; (iii) a Newnham Redevelopment Deed; and (iv) a lease from the Crown to UTAS over Lot 3 of the Newnham land; and*
  - *UTAS will give to the Crown (i) a signed instrument of transfer of the Newnham land, effecting the surrender; and (ii) evidence that UTAS's leases to existing tenants at Newnham have been brought to an end and continued as subleases (as from the settlement date);*
- *the Crown will then make payment of those instalments of the Inveresk Grant that will be due and payable under the restated Inveresk Deed;*
- *the Crown will commence a process to sell Lot 2 of the Newnham land to the Commonwealth Department of Defence (DoD);*
- *the Crown Lands Minister will bring a notice before both Houses of Parliament, commencing a process under s64 of the Crown Lands Act 1976 (CLA) to attempt to transfer an unconditional fee simple in Lot 3 of the Newnham land back to UTAS, subject to UTAS granting a mortgage*
- *and a covenant to the Crown over Lot 3 securing UTAS's obligations under the restated Inveresk Grant Deed and the Newnham Redevelopment Deed.*

The immediate effect of the proposed surrender and lease back to UTAS is that UTAS will be able to continue its operations at Newnham and the Tasmanian Government will be able to sell Lot 2 to the DoD for construction of its Cadet Defence Facility.

The Committee requested an update on the progress of the Newnham campus land use covenant. Both UTAS and Hon Eric Abetz MP (Minister for Business, Industry and Resources) responded positively, stating that the matter was likely to be completed by 30 June 2025 (see Attachment O and Attachment P).

[38] Letter to Committee Secretary from Hon Eric Abetz MP (Minister for Business, Industry and Resources) dated 18 October 2024

Other UTAS Financial Position Matters

Attachment C (pages 4-5) provides further details on the following:

- a breakdown of UTAS' non-capital projected expenditure for the years 2024 to 2026 related to the relocation of the southern campus to the Hobart CBD and redevelopment of its Sandy Bay campus, and
- year by year income and expenditure figures for UTAS' Rozelle campus and UTAS' learning centres in Melbourne and China from commencement of operations to 2023 and projections for 2024 to 2026 (summary provided below):

Campus	2020	2021	2022	2023	2024
Rozelle	$6.7 m	$9.8 m	$6.8 m	$8.0 m	$9.0 m
Melbourne	-	-	-	$0.1 m	$0.3 m
China	$2.4 m	$2.5 m	$2.8 m	$2.7 m	$2.1 m
	$9.1 m	**$12.3 m**	**$9.6 m**	**$10.8 m**	**$11.4 m**

As reported in the Auditor-General's report on the financial statements of State entities Volume 2 Audit of State entities and audited subsidiaries of State entities 31 December 2023 and 30 June 2024**,** tabled on 12 March 2025, the financial position of UTAS is challenging.

Financial Result
The University of Tasmania (University) recorded a consolidated net loss of $10.40 million in 2023, compared to a consolidated net surplus of $43.07 million in 2022.

The decrease in performance of $53.47 million was largely attributed to:

- *a decrease in revenue from continued operations of $67.12 million, due primarily to a decrease in Australian government financial assistance ($49.50 million), State and local government financial assistance ($26.61 million)*
- *partially offset by an increase in investment income of $65.73 million due to improved performance by the University fund managers in financial markets*
- *increased expenditure of $44.09 million, mainly related to increased employee related expenses of $27.44 million and increased depreciation and amortisation of $6.92 million.*

A similar overall result is also reflected in the University's result from core activities. In 2023, the University generated a consolidated deficit from core activities of $54.81 million, compared to a deficit of $18.89 million for 2022, a $35.92 million deterioration in the consolidated result.

Historic underpayment of University staff
In 2021, the University recognised a provision of $11.00 million, arising from the potential underpayment of staff between 2014 and 2021. This provision was subsequently increased to $14.30 million.

Since the underpayments were first identified, the University has largely completed stage 1 of the project and have moved onto stage 2, reviewing allowances, loadings, leave accruals and deductions, and a sample review of superannuation and termination payments.

During the year, the University made a number of payments to impacted persons with some further payments still to be made at year end. A provision of $1.85 million was recorded in the 31 December 2023 financial statements, representing the expected amount to fully settle the underpayments to staff. This is a significant decline from the provisions disclosed in 2022, as rectification payments, as discussed, commenced in April 2023.

Capital Works program
During the 2023 year, the University spent $165.52 million on capital expenditure across items of property, plant and equipment and intangibles assets. Major capital projects included:

- *Southern Transformation projects*
- *Northern Transformation project – River's Edge*
- *Northern Transformation project – The Shed, and*
- *Defence and Maritime project.*[39]

UTAS annual reporting is on a calendar year basis with the 2024 Annual Report due to be provided to Government for tabling later in 2025.

Revised Financial Model

At the public hearing, the UTAS representatives spoke to an updated financial outlook for the University to 2050 (see Attachment B , slides 18-20). The Committee noted the following statement from the presentation:

While the base case modelling demonstrates the financial sustainability of the University, we have little room for innovation or new investments:

- *The modelling highlights the importance of the Federal policy reforms in underpinning our results.*
- *We also do not have capacity to invest in new STEM facilities in the South, which are critically needed.*
- *We need to apply a long-term view to our asset management, so we have more productive assets, enabling us to achieve our education mission state-wide.*
- *Our scenarios all require us to plan to refinance our first Green Bond, due to the impact of COVID and the lack of return from our Sandy Bay assets.*

[39] See Auditor-General's Report on the Financial Statements of State Entities 2023-24, Volume 2 (No. 7 of 2024-25), https://www.audit.tas.gov.au/wp-content/uploads/AGR-2023-24-V2-Full-Report.pdf, p.30 [Accessed 17 March 2025]

Mr Barling and Ms Leis spoke to the financial model's assumptions:

> ***Mr BARLING*** *- … That model is run around a bunch of assumptions. Those assumptions look like - we do domestic student growth. … there have been challenges in the sector. We tie that to population trends. That's a bit challenging in Tasmania, but we do it Australia-wide. Our assumptions within this modelling presumes that the Accord … the growth in that starts from 2030. That may seem late, but that's how the higher education sector works. By the time the policy comes in, you can recruit the students and you get the funding. It takes time for that to occur. The Federal Government is understanding that that's a reasonable assumption.*
>
> *It also assumes the Accord funding mechanisms give us the funding per student we currently get today. It presumes the status quo. There's risk in that because they've got different ways of calculating the funding going forward. The last major assumption is that the international student numbers that we receive, we fill our quota for. This will take us to about a 20 per cent international to domestic student mix on our campuses.*
>
> *What that looks like from a student perspective … is it sees steady growth over the long-term around our student profile. It's probably worth reflecting on 2019 through to 2024 right now. In 2020 it was a bit of an anomalous year. The COVID year meant there were actually thousands of students that came to the University domestically to study single units or short courses. The 2020 year's a little bit of an anomaly.*
>
> *You can see … that since 2017, domestic enrolments have reduced by 9 per cent. We have experienced that just like everybody else. I will say in the last two years, we have managed to work opposite to that trend. Our domestic numbers for this year and for next year are looking particularly strong.*
>
> *What that drop largely reflects for us is the international student drop over that time - the COVID impact, the migration settings that were in China, and the migration settings Rufus has talked about previously. Where we see this going is we see this growing over time. If we can fill our quota, our students will grow back slowly but in a very measured way. We're not looking at a high-growth scenario here. We have to manage the university's finances with the level of conservatism that you would expect of an organisation like us.*
>
> *When you translate that into what that means from an operating cash result, and this is the mechanism we use to manage the University's profit or financial performance, that profile shows the stark impact any drop or increase in international students makes on our operating cash result. … from 2020 when that international student number dropped, we went from making a very healthy operating cash result of $50 million-plus down to basically break-even. We had a clear mandate not to go below break-even. The fact is we need to sustain our University with capital that comes out of this operating cash result that we have subsidised through our reserves over the past few years.*
>
> *You can then see from 2024, which is this year, as we start to make progress in getting more international students and working to a really close management of our cost, which has been on the public record, we start to get back to a more profitable position. The*

need ... to help influence migration settings, to influence national policy around international education, is significant for our university and our contribution to the State, but also significant for the State's population growth.

CHAIR *- Can I ask what your assumptions are this year in 2024 and 2025? What assumptions are you making...?*

Mr BARLING *- From a domestic standpoint, it's that our trend follows domestic population growth. We split that between Tasmania and interstate growth, because we have such a high interstate proportion of students. It includes the fact that as we move to 2025, we won't get to the quota of international students. In fact, we'll fall quite a way short, and will be more similar to this year. It does presume as we hit 2028 that we do hit that quota by 2028. It's a staggered increase through to getting that quota hit, and hitting a 20 percent international student profile.*

What does that mean from a staff perspective? Obviously, managing the University's finances is a delicate balancing act. The policy impacts - in revenue per student we receive domestically, how many international students we can attract, this all impacts our cost base, and our cost base is largely employing people. 70 per cent of our cost base is staff.

What does that mean from a full-time equivalent staffing perspective, which is on this chart? It shows the drop we've had over the past few years that reflects the shrinking of student numbers. It hasn't dropped as starkly, though, quite obviously. We've made a conscious decision to help sustain the university through this period, to subsidise us as we go. We've drawn on our reserves to do that.

You can see the specific drop in 2025. That's a combination of the work we're doing this year. We announced a vacancy management program and the cost measures we were putting in place, back in May. Those cost measures are reflected in that 2025 number. The budget for that is still being struck, so we don't quite know the exact number, but that's our outlook for 2025. That drop is actually embedded within the work we've done this year to reduce our cost base.

MR WILLIE *- If you achieve it.*

Mr BARLING *- If we achieve it, and we've made reasonable progress. Our profit result that we showed on the previous slide for 2024, of $15 million. At this stage of the year, we're confident we're going to reach that range. We have that in line.*

There are still some things to do .... This is not easy to reduce the cost base of a university of this magnitude, but we have made good progress, and our institution is behind us in making sure we deliver on those commitments.

What you can also see from the FTE[40] perspective - the past is sort of embedded in your questions, the future is probably what we're focused on, because we need to manage the

[40] Full-time equivalent

university for the future - you can see that full-time equivalent staff growth won't occur for this university for quite some time. As much as we have increases in students, we need to deliver an increased operating result back to that sustainable level of $50 to $60 million. Our staffing levels will stay fairly consistent, reflecting the fact that we will be a slightly smaller university in the future than what we are today.

What that means … what does our 10-year funding model look like? This is a snapshot. The funding model is a big tool. It has lots of scenarios through it, it has lots of calculations, and this is a snapshot on a page. …

The way this works is to give us an understanding of how much cash we have available to ourselves in order to manage the University's and our capital commitments, but also the amount of investment portfolio we hold to be able to deal with the shocks, and the subsidisation we need sometimes.

CHAIR *- When you say 'subsidisation', are you talking about the North and North-West campuses? Is that when we're talking subsidisation, or are we talking broader than that?*

Mr BARLING *- It's probably a poor term … 'Subsidisation' in terms of how we actually make sure that every area of the university that needs help - because we are a university that only breaks even effectively from an after-depreciation profit perspective - how we actually go about supporting all those activities, whether it be research, whether it be the teaching in the regions, whether it be a broad curriculum, and all the things that we take on.*

Briefly, we obviously have our opening cash, which is what we operate towards, when we have the inflows that come in, which is our profit and other funding areas, which are mainly grants in the past. The cash outflows include our capital expenditure, plus our interest costs that we pay, plus some other ancillary items that sit within that line item. That then delivers a net cash position each year, which is the first green highlighted row. We then have draw-downs that come out of our operating cash to pay for our capital commitments. You can see those two large numbers this year, which were planned, and very much captured within the first slide I shared around the two areas, how we're funding our capital plans over the next two years.

That gives us a closing cash surplus, ..., which tells you how much cash we have available to ourselves for discretionary purposes at the end of each year. That's an important figure, because that helps us understand what we can invest into a new capital program. It helps us understand what we can repay in our debt, and it helps repay any discretionary money we have.
What we also track is our investment portfolio that sits below that, which is a very healthy $405 million balance. It's important to understanding that, as we shared last time, a large part of that is committed to research funding that's been given to us that we need to spend. Another large part of it is the scholarships, philanthropy and foundation money we hold on behalf of donations and donors to fund future scholarships for the university. That number is $265 million at the moment that we hold.

We do track the portfolio really importantly because that closing unrestricted investment portfolio line is really important to us as to how much money we hold to help sustain a university. That can't be zero. That means that money needs to be there in case we do have a shock or we do have some issue we need to work with to fund.

You can see as we manage our 10-year outlook, the University does not have the capacity to be able to put into new capital investments. This reflects the conversation we had with you last time. The sector is not funded for large capital investment. That's why we all need international students. But the domestic funding situation has always been dependent on government money for large capital replenishment …

***CHAIR** - You talked about having a buffer to deal with shocks. What's the buffer that you expect?*

***Mr BARLING** - Here's something I prepared earlier which shows the effect of COVID. We plan for shocks and there are lots for a university. We are independent organisations. We explained our ownership around the State where we obviously committed and intertwined with the State, but we're funded by the Federal Government and we're independent. We have to manage our finances as an independent organisation.*

This chart shows you our EBITDA line or our cash operating result line over time and forward-looking. You can see that the impact of COVID for us was significant, $180 million. That's the effect of the initial drop in international students. It's the effect on the cost that we incurred in terms of managing through COVID. It reflects the migration settings that came from China out of COVID and it reflects the current migration policy settings.

The University has absorbed $189 million out of COVID. We're not the only university that's done that though. That's been consistent across the sector. We all hold reserves for this type of purpose. We didn't think it would be that significant, but it has been. That's why we're so desperate to change the current migration settings and get help to do that, because that's actually what's dragging this out a little bit longer than it should have been.

***CHAIR** - Does that figure include increase in capital costs? We know what COVID did to capital costs.*

***Mr BARLING** - It doesn't include capital: that's been embedded within our capital budgeting ...*
…
***Mr BARLING** - It's hard to differentiate what was COVID versus what is just the market, but leave that with us and we'll think about how we look at that. We do track the capital cost very closely, but we do it separately to this model.*

You can see we model future shock. Back to your question … what level of reserves do we need to hold? It needs to be level of shocks that may happen in the future, which maybe another pandemic, it may be a geopolitical crisis, it may be a changing funding *landscape, because I've been in the sector for 11 years and I've experienced four of them already.*

There are lots of different things that happen that means we need to plan to hold a level of reserves to sustain our university and not spend that on capital. It's a really important perspective that we give. What is the number? It's something we actively manage. It's why we won't draw down our reserves too heavily. It's why we always keep a level there to maintain us.

***Ms LEIS** - From a Council perspective, this is very important for us because obviously the long-term sustainability of the University is critically important. The Council's consideration has been this funding model and the long-term projections and making sure that the university has some very clear reserve positions for this very purpose.*

***Mr BARLING** - … We do run scenarios on this because it's good to have a plan. The plan has the assumptions that have been worked through really in a lot of detail. It's also important that you run scenarios to test what happens if your plan doesn't come off, because no plan comes off perfectly. Those scenarios, we run about 12 of them across the model. We haven't shared those with you today. We've chosen two.*

One of them is if we get in a situation where we get more international students than we're planning, where we would have to renegotiate the quota. But that is a possibility.

The second scenario is where we actually don't hit the international number, but also some of the Accord funding elements don't come through. They take longer to come through and the funding per student isn't as significant as it is today which, again, is a plausible outcome.

…when you look at what the impact of that would be, it is significant to our cash operating result. You can see the grey bars in this are the same bars as you saw previously around our cash operating result and you can see, the disparity we have is if we get more international students, and yes, we do. It's why universities in Australia are so dependent on that income source.

If we lose them and we don't get the right policy settings domestically, it really does affect our cash operating result. And if you think around that spreadsheet I showed, you know we're maintaining a $60 million cash balance.

If we drop our EBITDA by $10 million to $20 million each year, it only takes two to three years to eat into that and that's not something we can afford. So, when we say that the University's finances are a delicate balancing act, we really do mean it. It requires us to model out a long time because the university sector works on a long-term operating cycle. We're not a short-term business that sells goods on a turnover of two or three months. Our students stay with us for three years. Our research programs run over 5-plus years. So, we have to manage our finances in the long term really carefully to reflect our operating model and this sort of shows you the importance of that …

… Probably the first is how important it is that we can influence federal policy reforms. We have a great track record of that. It helps being the only university in the State. It helps having the political capacity that this State has federally as well and that has been beneficial to us in the past. Like I said, the policy settings do support us right now.

The fact is, though, some of them don't - and the support to get those migration policy settings because you can see the impact of them means we do need help influencing those. The second is it's clear that we don't have the ability to fund our large capital investments. That's been our history. It's our current and future scenario as well. So, the investment in STEM facilities, which I think it's fair to say everybody in our southern community completely agrees, is important to do because we do have declining participation in STEM in schools. We aren't producing enough engineers and technology graduates. We do need to get onto this. The new STEM facilities are critical, but we can't fund those by ourselves.

The other one is we hear a lot that we're a real estate developer. We're not. We're a large asset manager. We do have a lot of assets - a billion dollars. Those assets are geared towards delivering to our mission. They're geared towards delivering courses to our students and research to our community. We have to be really good at managing our assets and make sure to the last point that our assets are unencumbered. The moment our assets become encumbered we end up in a situation where we're waiting for other people to do things to help us manage our situation.

The last point is, because there have been a lot of questions around our debt, as we look at that scenario, we have to make sure we manage in the long term to help make sure we can refinance and meet our debt commitments, which we're doing. Our debt commitments were taken on board in a really measured and constructive way. The green bond is an instrument that other people have emulated since we created it because of its innovation from both the sustainability perspective, but also how it was structured. We have some good instruments, but we need to make sure they're managed carefully because our debt and our funding model is a very delicate balancing act.[41]

Mr Barling and Mr Rose spoke to the financial assumptions associated with philanthropic funding:

CHAIR *- With the IMAS example, … I noticed … the philanthropic funding research - that's a steady figure all the way through there. Is that because that's it? I would have thought research grants are applied for all the time.*

Mr BARLING *- The way we manage that number is, we take today and we index it up. We don't presume we're going to receive extra donations. There is the capacity for that in our system, but again, we're running with a funding model here to help make sure the University's finances are managed carefully and in a considerate way. So, the assumptions within that philanthropy line - that number in that model is the assets we hold from previous donations. It's not the incoming income every year that sits within our operating result.*

[41] See Transcript of evidence, Public Hearings (2 October 2024), p.7-13

__Mr ROSE__ - If I can just add, the assumption there is that any money we receive is also going to be quarantined for those future purposes. So, for the purpose of the funding model, it doesn't impact our unrestricted funding. Money in - it's tight funding, basically. We don't try and project what that number would be, because it doesn't impact that unrestricted available funding for us.[42]

Further information with regards to the research funding and philanthropic income of UTAS is provided under Attachment E (page 10). For the period 2019 to 2023, the University's research income has averaged $195.48 million and its philanthropic income has averaged $7.56 million.[43]

In response to a question on notice UTAS noted the funding support/subsidy provided to the Inveresk and Cradle Coast Campuses:

One of the central objectives of the University is to further the educational attainment of our regional areas. Through the support of both the State and Federal Governments we have recently been able to invest in infrastructure at our Inveresk and Cradle Coast campuses, rather than closing regional campuses and retreating to capital cities as other universities have done around the country. The figures quoted of $40-60m are the estimated net cost of the subsidy required to operate and deliver teaching, learning and research to these campuses.

The total staffing costs for the Launceston and Cradle Coast operations amounts to $85m versus a total student revenue of $45m. The net subsidy also includes campus operating costs, and the ranged nature of the response reflects assumptions on both the number of roles that would not be required in a consolidated Hobart campus as well as the number of students that would be unlikely to attend university in the absence of a regional campus.[44]

With respect to the University's strategic plan, the Committee heard from Professor Black around UTAS' assumptions of what costs were to be covered by external funding:

__CHAIR__ - The new, refreshed plans - the strategic plan - I assume it includes proposed changes to internal funding arrangements, including a proposal that the costs of research, including staff costs, are covered by funding sources external to the University. Is that what the assumption is?

__Prof BLACK__ - That is the assumption. We recognise it's a long journey to get there. So that's our objective, to do that. Again, our most competitive areas of the University, for example, IMAS and TIA,[45] are equally the ones that do the best job at seeing the cost of their research kind of covered by the external funders.

This is really important, because in the Accord funding environment, part of the way that is set to be structured is to focus on funding all that's needed to educate students and

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[42] See Transcript of evidence, Public Hearings (2 October 2024), p.18
[43] The philanthropic income figure is made up of donations and bequests and do not include scholarships and prizes.
[44] See Attachment E, p.3-4
[45] Tasmanian Institute of Agriculture

actually to reduce the cross-subsidy that's available for research. Universities that don't find ways to cover the cost of their research will find themselves financially really challenged. We have, for some time now recognised that was a reality where funding was heading in Australia and therefore the need to make sure when we are getting research funding - and remember a very small amount is philanthropy, most of it is government grants or industry grants - so, that's a really important part of how it needs to work. The one thing that none of that covers, though, are the capital costs of the research facilities in which that work happens. That's the continuing challenge - that just covers the operating costs of doing that work. It doesn't cover the very substantial capital costs of it occurring.

CHAIR *- Are you looking to move, I guess, to requiring full external funding for research?*

Prof BLACK *- That won't be possible in all areas. There are some areas where the very nature of the kind of work, it's very hard to get full recovery. In as many areas as we can, yes, we do want to see as full a recovery as we can practically achieve. The Accord direction is clear about that, too. It directs Government, when it's funding universities in the future, that it should be doing as good a job as it can to other departments to cover the full cost of the research they're asking to be done.*

It's a recognition that we are needing to move away from the world of universities engaging in all of these complex cross-subsidies. That, if you like, in modern funding - and we've seen it in health care and other systems - is you're wanting to fund for the activities that you're paying for as a government. So, if you're paying for students' education, just as if you're paying for hip operations, you want to pay for those. That's a modern, contemporary way of going about public sector funding, but it has really significant implications for universities, because traditionally, we have relied heavily on that sort of cross-subsidies. You saw from the international student picture that the model in Australia has never actually provided sufficient even to do the basic set of things we've needed to do. So, we've always needed a reasonably large number of international students to fund the basic things that Australian governments ask universities to do.

CHAIR *- Going back, you mentioned that doesn't include the capital cost to provide the facilities.*

Prof BLACK *- That's right.*[46]

In a response to a Question on Notice, UTAS provided further detail related to costs involved in UTAS' research activities and the extent to which research activities are cross subsidised:

The 2022 study 'Essential Decisions for National Success: Supporting Australian Research' by Group of Eight Australia examined research-intensive universities, of which UTAS is one, and found that for each $1 of research income received an institution required $1.20 in indirect cost funding to support it. The study found that only

[46] See Transcript of evidence, Public Hearings (2 October 2024), p.19

approximately 20c per dollar of research funding is currently received from the government through Research Block Grant funding for this purpose.[47]

This support ranges from energy costs and building maintenance to technicians, librarian and other professional support as well as the average 40 per cent of time that academics are contractually allocated to research activities. Over the past decade UTAS's reported HERDC [Higher Education Research Data Collection] research funding has averaged ~$100m per annum which, based on the study above, requires a similar level of cross subsidy by the University.[48]

UTAS Capital Programs

At the public hearing, the Committee heard from Professor Black and Mr Barling with respect to the University's capital programs:

CHAIR *- We did put some questions to you about your capital programs. Acknowledging that COVID did create cost challenges for everyone, including those building houses, can you provide some information about the capital program? What the budgets have been, have they come in on budget?*
…
Mr BARLING *- I'll probably give you the perspective of the projects we've completed first, then the projects that are underway, because I know there's been speculation around both.*

The projects we've completed - and I include Northern Transformation - the projects in the north that we talked about funding, we have spent, over the last 10 years or so, close to $600 million. The budget estimates we take into those are always informed by various factors. Our ability to manage to those cost budgets has been really quite accurate, though. Once we get to a point of an approved construction budget, that is approved by our council, $574 million is the exact figure we've had over that period of time. We have been within 5 per cent of that range. So, with all the conditions of escalating costs, of all the conditions -

CHAIR *- Over what period of time was that?*

Mr BARLING *- The last 10 years for all completed projects. Some are up and some are down in different ways. But net for the $574 million, we are hitting it very accurately. The net difference - 5 per cent reflects some of the variances - the net difference is less than 1 per cent.*

We've actually managed to deliver, within that $574 million, within 1 per cent of the approved budget from our governing body. That's a good track record. I know there have been some comments around some of the active projects, and I'm happy to talk about Forestry in that context, because that's been something that's been there. The way that project has been brought together reflects the fact that as projects develop, your scope

[47] See 'Essential decisions for national success: Supporting Australia's international education and research sector', Group of Eight Australia, https://go8.edu.au/report-supporting-australias-international-education-and-research-sector [Accessed 13 January 2025]
[48] See Attachment E, p.3-4

changes. With actual Forestry, some of the parts of that changed because we bought Freedom halfway through.[49]

There was a cost estimate for $80 million, that did include a redevelopment of that site that didn't include the extent of changes we are now doing, which includes a large redevelopment to Freedom, the old Freedom building there. So, the scope went from one building to two, and the Freedom building is almost just as big as the Forestry building, just so you know, in terms of size and scale of what we're doing.

As we hit that, we had to re-estimate what it was going to cost, and we had to assess that against the benefit it was going to deliver. What we don't do is just increase cost budgets without understanding what that extra investment is going to do for how many students we can have in that building, how many staff we can have in that building, and how much research output we can have in that building. That assessment, as we go through those cost increases, was done. That then informed an increased cost that we thought was very beneficial to the extent of activity we could put into a new facility, teach our students in a better way, do better research … that then we increase the cost budget to $130 million.

From that point, we did incur some cost escalations on that project, the building industry through COVID and post-COVID has gone up by 30 per cent. If you think of the increase we've had on this project, which is, from 130 to 140 [$ million], *I can't remember the exact number, I'm sorry. We're managing well within the pressures that the industry is incurring.*

The assumption that those big increases are due to poor management, they're actually due to our very careful consideration about how we design those buildings and how we get the most amount of output from them to maximise that investment.

***CHAIR** - What's your expected benefit-cost analysis of the Forestry building with the Freedom building included?*

***Mr BARLING** - We don't do a BCR*[50] *like I described for Infrastructure Australia. That's a very involved exercise. What we do is assess how many students we can have into that facility versus what we have now and how much research we can produce. In particular, that facility is going to have a large number of our staff in it too.*
…
***CHAIR** - That's alright. You said it could have a number of staff in there. What's going to be based in those two buildings at the conclusion of the works?*

***Mr BARLING** - A large number of facilities. We're still working through exactly what disciplines will go into that building. We know there will be a large part of our administrative function as part of that facility. We know our Business School -*

***CHAIR** - Are moving from the Sandy Bay Campus to there?*

[49] Old Forestry Building, 79-93 Melville Street, Hobart (see https://en.wikipedia.org/wiki/Forestry_Building,_Hobart) and old Freedom building, 80 Brisbane Street, Hobart
[50] Benefit to cost ratio

Mr BARLING - *And some that are based in the city. That detail's still being worked through. Remember, this building is not finished for another 15 months. That work's still happening. We're working through with our disciplines now around who gets to go in that facility. I'm framing it that way on purpose because it is a wonderful facility. Our staff have started to go through it. We've started to share it with members of the community. That process is underway right now, but I can't specifically name those at the moment other than we know our Business School will go in there.*[51]

The Committee noted that no further Government funding was identified by UTAS to continue capital projects into the future (see Attachment B, Slide 38): UTAS stated that they had not asked for a borrowing limit greater than the $400 million already approved by the Treasurer. As to how the approved borrowing limit requires reductions over time consistent with the maturity profile, UTAS provided the following response:

The debt maturity repayment requirement relates to the third condition of the Treasurer's approval for the debt. The repayment obligation requires the University to repay in accordance with the debt maturity profile, provided at the approval stage.[52]

At the public hearing, the Committee heard further details with respect to the University's approach to their property portfolio:

Mr BEHRAKIS - *You were saying that construction costs over the last few years have gone up by 30 per cent and then the impact that had. Do you know how much from the totality of all these projects has gone over what was originally estimated? Do you have those figures?*

Mr BARLING - *The variance of the original estimation is sometimes difficult. I'll give you an alternative example, which is the Northern Transformation Project.*
When we put the submission to the Federal Government, we asked for $400 million to do the northern campus and just the Launceston component of that. It didn't include the Burnie one, which cost above $50 million and we ended up getting $300 million which we're very pleased about, but we then had to build to that.

The original estimate for us to build the right size and the right space for all our students in the north was $400 million. We had to do that on a budget of less than $300 million. Sometimes we don't get money for the original estimate and we have to work to a different outcome. Sometimes with the Forestry example, we end up due to really good circumstances and thinking around what we want to do in the city, having extra opportunity to that original estimate. So, we don't necessarily go back and look at those original estimates because the scope generally changes quite significantly. What we do is manage to what our approved budget is once we've done the space planning, once we know what the construction cost will look like, not to the point of getting to a guaranteed maximum price, the GMP,[53] *which is a really important instrument we use to manage costs once projects are approved but we certainly do need that detailed space analysis*

[51] See Transcript of evidence, Public Hearings (2 October 2024), p.19-21
[52] See Attachment B, p.7
[53] Guaranteed maximum price

and the scope to be done to be able to assess our accuracy around that. That's the number I was giving you earlier that we've landed that within one per cent.

Mr BEHRAKIS *- I know the properties that have been developed in the Forestry building in the city. There are also some properties that have been bought and they're either not used or bought and then disposed of after the fact. What's the financial impact of having bought those … and they weren't as useful as they were expected to be? What's been the loss or the financial impact on those?*

Mr BARLING *- The hotels is a prime example there, which is a reasonably common example in Hobart. They were very useful assets. Remember at the time when we were at the record number of international students, which we've shown drives a good operating result for us - that was on the back of making sure we had accommodation for them that year. Those hotels were bought for that purpose, and they absolutely delivered value for this University, knowing that we make a large amount of money - international students as you've seen, tens of millions. Those assets, once COVID hit, weren't needed for that purpose, and we also built over 400 beds of our own to help do that. They were there to bridge a gap.*

What we did at that point is we put them into commercial arrangements. They have yielded what a normal commercial asset would yield through that period of time. The decision to sell them was purely around choice. Do we draw down our investment portfolio? Do we think about what other resources we have to commit to it, or do we sell surplus assets? The decision was that they were surplus to needs. We were never going to use them as accommodation in the foreseeable future because we have the capacity as we described last hearing. The decision to sell them was a reasonably clear financial decision to dispose of them.

Mr BEHRAKIS *- You bought it, got your use out of it, and got rid of them. It wasn't a case of you bought it and then realised after the fact that it wasn't quite there? I suppose that's sometimes some of the stuff that has been suggested, that it's -*

Prof BLACK *- They were really valuable. Remember that the important part of the reason we did it was that this is part of our social obligation to ensure we're managing housing in Hobart. We bought that to take pressure off the housing market so that we were providing for those students. In many other cities - that's why there's upset in some other cities, because universities haven't done things like that and it's crowded, it's put a lot of pressure in local housing markets.*
They served us very well. Even with COVID arriving, they've still yielded us a good return. We wanted a long-term solution, which is why we built our own space, which was much better purpose-designed for students, but part of just responsible citizenship in Hobart.[54]

[54] See Transcript of evidence, Public Hearings (2 October 2024), p.23-24

UTAS Staffing Establishment

As at 31 December 2023, UTAS employed 2,957 full-time equivalent staff across their campuses, a total of $460,291 million being recognised as employee benefits and on-costs. The breakdown of academic versus non-academic employee related expenses was $228,814 million to $231,477 million.[55]

At the public hearing, Mr Barling and Mr Rose spoke to the reasons why the non-academic staff costs were higher:

> ***Mr BEHRAKIS*** *- ... It looks like 2023 is the first year that non-academic staff costs have exceeded academic staff. Just wanting to get some wisdom around that trajectory and how that's been over the years leading up to now and also both sections have a line item for other employee related costs.*
>
> *In 2022, it's for academic staff, it's $1.5 million .... Then in 2023, that jumps up to $3.1 million, which is disproportionate to all the other changes in that same year. Then the same line item for non-academic staff goes from $1.1 million to $6.4 million, which is a huge disproportionate even to the change in academic staff. What is that line item and why that huge increase?*
>
> ***Mr BARLING*** *- I'll respond to the first part of that question about the academic and non-academic mix overall. ... The trend around the whole sector - the sector is needing more support from non-academic staff to deliver academic services. We've experienced that trend, particularly through COVID, because there was a lot of things that needed to happen to support the University be able to deliver what it needed to. You think of putting every single course online within a six-month period - that took a level of effort and activity that needed some professional staff support.*
>
> *We do benchmark ourselves against the sector as to how we operate from an academic and non-academic and we sit in a reasonable position in the sector. We're not at the top end: we're not at the bottom end. So, that dynamic has certainly evolved in the last few years. As we look to 2024, we did make some changes in 2023 that will get that proportion back to where it probably has been in the past.*
>
> ***Mr BEHRAKIS*** *- You're aiming at that trajectory?*
>
> ***Mr BARLING*** *- It's generally a reasonable balance and so we did because of the influx of costs we had from a non-academic perspective through the COVID period. We have resettled that a little bit now in 2024. We did it in 2023, but you don't see the financial effect until the following year. ...*
>
> *...*
>
> ***CHAIR*** *- I might put something too, that it could be the under-payment of staff. There was a significant issue there and this would be potentially be back pay.*
>
> ***Mr ROSE*** *- That's just what I confirmed: confirming that it appears in that line in those financial statements.*

[55] See UTAS Annual Report 2023, https://www.utas.edu.au/__data/assets/pdf_file/0011/1713881/Annual-Report-2023.pdf, p.6 and 93

__Mr BEHRAKIS__ - If that's the case, why is the non-academic staffs almost twice what the -

__Mr BARLING__ - I was going to guess, but you don't guess in this environment. The fact it was not academic versus non-academic suggests it would be redundancies that were due to the program I talked about in 2023 reduced our non-academic staff.

…

__Mr BEHRAKIS__ - … It has been put to me, and this is obviously anecdotal, by some university staff who have spoken to me that in regards to the non-academic staff cohort, there's been - in their words - a hollowing out of administrative staff with the non-academic staff role being increased - a lot of highly paid managers that manage other managers and academic staff and that staff cost or the expenditure and non-academic staff is going up, academic staff at the same time being asked to perform administrative functions that they weren't being asked to perform before…

__Mr BARLING__ - … We hear that same feedback. We also hear feedback when we remove professional staff sometimes, which we try not to do. We get complaints that we're not helping the service anymore as well.

The comment I'd make, that's probably pertinent to how we manage our finances, is that we were very aware of the fact that we had some changes we needed to make. That was the program for last year that was very much focused on reducing the number of senior management roles in our administration area to get that balance back to where it needed to be.

It was not about reducing the number of professional staff who directly support our academics. It is also important to understand our non-academic staff who do support the academics do a lot of academic type of things. They help with putting content online for our online delivery, they help with guiding students, they give advice to academics around various things, they help manage the curriculum and the architectures that exist around that. As much as they are classified as non-academic staff, that line blurs …[56]

Mr Rose and Mr Barling provided further details with respect to the UTAS restructuring costs in 2023:

__CHAIR__ - … The restructuring cost … in 2023 it was $9.5 million. … Are able to provide a breakdown of those restructuring costs, what that actually relates to and what restructuring costs were included or factored into the models …

…

__Mr ROSE__ - … It's $6.4 million of the $9.5 million were professional and $3.1 million were academic staff from that restructuring in 2023. That's delivered especially on the professional side, I think we mentioned the professional restructuring we went through last year, particularly in the leadership of some of our areas and the consolidation of some of the divisions. That's delivering approximately $10 million in ongoing salary savings. It has paid itself back in 12 months.

[56] See Transcript of evidence, Public Hearings (22 August 2024), p.18-20

Mr ***BARLING*** *- In terms of whether it was included in the funding model? Yes, you would have seen the line item in our cash outflows. It was 'other'. It's included in there. The reason it's included outside of our operating cash result is because one, it fluctuates from year to year depending on circumstances and second, the whole sector benchmark our operating result and they exclude it. If we include it, we end up not being comparable to other universities. There's good logic as to why it's excluded, but it is tracked very closely, but it does tend to fluctuate.*[57]

Attachment C (pages 12-19) provide further details on the following:

- better particulars with respect to the redundancy costs resulting from the divisional professional senior leadership restructuring program
- a breakdown of the categories of staff under the non-academic banner
- the composition of UTAS staff over the past decade and into the future (average 1:1.26 academic staff to non-academic staff over the period 2013-23), and
- the ratio of FTE staff to FTE students over the past decade (average 1:6.69 FTE staff members to FTE students over the period 2013-23).

UTAS Students

As at 31 December 2023, the UTAS student population was 29,259, a small decrease compared to 2022.[58] This in turn had an impact on the ratio of FTE staff to FTE students.

At the public hearing, Mr Barling commented on the drop in student numbers over the period:

Ms ***THOMAS*** *- ... the ratio of equivalent full-time staff to equivalent full-time students which has been trending up slightly. I want to clarify that the response you gave, that explains that as well.*
Mr ***BARLING*** *- It does a little bit but obviously our student numbers, as you saw in the material, have dropped. That has been due to the migration policies and various other things we have talked about already, ... That is a ratio we do need to balance because that is what drives the profit for the University and that is the bit we are trying to balance right now. You would have seen that we have got some things in place like careful vacancy management that we are putting in place to help get that balance back.*

The fact is, though, Australian universities run at a very high staff-to-student ratio, but is that the best experience for our students? Let us get back to our mission as a university. We are here to teach people and get them on their careers and their future pathways. A low staff-to-student ratio may not necessarily be a bad thing: it might be a better experience for the students. There is a direct balance in that. I think the sector in Australia runs at 1:28, it is almost 30 these days. There are other parts of the world that are 1:10. Have we got that balance right because our funding system is driving that behaviour, it is driving us to make sure we get scale into the classroom to make it viable for us to run those courses.

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[57] See Transcript of evidence, Public Hearings (2 October 2024), p.26-27
[58] See UTAS Annual Report 2023, https://www.utas.edu.au/__data/assets/pdf_file/0011/1713881/Annual-Report-2023.pdf, p.15

If you think about a university like us, we offer over 300 courses across the state. If we do not offer the course like physiotherapy, ..., then students cannot study that while they are in Tasmania. ...

We do watch that ratio really carefully and our governing body actually asks us a number of questions about it and monitor it actively. The fact is that we need to balance it.

Prof BLACK *- ... it is one of the best ratios in the sector. It is not unlike what you get in a school at present and that is a product of what we do. To be economically viable, you actually need a slightly higher one than we currently have and the best way to get that is to get some more students, but it is one of the most attractive in the sector.*

It is part of what makes us a really high-cost university. If we are going to teach in all these different locations and have people in the classroom, that goes to the heart of our balancing act of ensuring we deliver a great experience state-wide but maintain our finances.

Normally, the basic economics of our class, if you go to the absolute core of it, if you do not have 25 or 30 students in front of you in a class, that is being subsidised from somewhere else. That is the difficulty, that is the basic that, if you do not have 25 to 30 students there, the cost of having that person in the class and all that it takes to support them to be in that class is not being covered.

CHAIR *- That would be different within classroom as opposed to online according to your previous experience.*

Prof BLACK *- It is actually very similar. The cost of delivering online and in person is very similar. Why the economics of online can be more attractive is you can get a larger number of students at least for us as a university, where physically we are constrained -*

CHAIR *- The cost of maintenance of delivering online education is much more?*

Prof BLACK *- It is high, when you think about it. An online unit, if you are creating a unique online unit, takes just as much time and effort and sometimes more because you are not there in the classroom with the student. You have to put a huge amount of work and effort into designing the content up the front end and you still have to actually look after those students. The amount of time you still have to spend engaging, interacting, correcting essays, doing all their marking and a bit depending on the forum, we have quite a lot of our online courses where we do have staff who are directly engaging with the kind of delivery of students that is the same as if you have got them going on in the class.*

So, in lots of ways, this is the sort of the myth that online is somehow cheaper, is not the case. What online can give you is reach and scale. That's where for Tasmania it's been so important because we have had courses where we have been able to offer them online onto the mainland where we are a very successful online provider. But it's only by doing that that we can then afford to have less than 1:20 students, one academic to 20 students, *in the classroom in Tasmania. If we didn't have all of that online in the nation, we wouldn't be able to do these, we wouldn't be able to do what we do in Tasmania. That's why in the modern world of complex university finances, we've got to seek, … this constant and delicate balance.*

Mr BARLING *- I'll just add one last point to give you because it's the essence of how you manage the viability of the University to a degree that the combination of academic dynamic and then the staff to student ratio. About over 300 courses, 67 per cent of our students sit in 30 of them. Now if you're a mainland university, you're starting to make decisions about those other 270 plus courses, whether you offer them because there are other universities down the road that do. We don't have that luxury. If we stop a course, we stop somebody coming to learn.*[59]

The Committee heard from Ms Leis and Professor Black with respect to the governance and community consultation arrangements on the future of courses offered at UTAS:

Ms LEIS *- I could add there from a governance perspective that's the types of trade-offs that the Council is needing to think about in the long-term sustainability of the University. If you ask the Council to be accountable, under the Act, for the University, we have to look at a range of trade-offs. What do you choose financially to ensure the long-term sustainability of the University? You can choose a range of things that we've been talking to today or we can ensure that our asset base is delivering the best it can to ensure that Tasmania has the courses that it needs.*

Ms THOMAS *- … Is that something that the Council is considering to respond to the sustainability issue, like cutting some courses? How would that be determined? Obviously look at data for numbers and projection of what future industry needs and particularly in the State. Also, would there be some level of consultation with the community in relation to any decisions like that?*
Prof BLACK *- That's a thing that management would bring to Council. Our approach is not to cut courses. What we need inside, you know, the really most basic economics of universities are driven at a unit level. What's the unit that you offer? A bunch of units add up to a course. What we need to make sure is that our units have the right scale of the right number of students in them, and that's a curricular design question. There are lots of ways you can deliver curricula. We need to make sure that our units have that 20-odd and, depending on whether we're delivering it regionally, Burnie or Launceston, we might have a slightly smaller number or slightly larger number in a unit delivered in Hobart.*
That said, that unit level that we need to address it and the unit level piece is really important, not just for our finances but actually for our workloads. If you don't have that, a balanced number of students in a class, then somebody else is either teaching more units or more students in order to cover that.

We need, and we've been very clear about it, to make sure we have sustainable workloads. Sustainable workloads and sustainable finances go together and that's about the kind of reform you do to make sure our curricula deliver what our students need in

[59] See Transcript of evidence, Public Hearings (22 August 2024), p.21-22

those courses but with units that have got an appropriate scale, and that we have an appropriate number of them relative to the staff we teach.

Staff to courses isn't really what matters. It's staff to units: that's really what they do. That's the piece that we're working really hard at the moment to make sure we get into the right shape and that enables us to offer a breadth of things but with viable units that are finally the driving piece of university's economics when you boil it all down.

Equally, it's from those units that the income also arrives that covers our research. Again, as we've highlighted, to our researchers in our research community, we need to be working to make sure as much of the cost of our research gets recovered through the grants that they get for it, which currently does not cover the full cost of our research by a long way. Or again, what you get is pressure back in our units for people to either be teaching too many units or too many students. So that's the core of trying to get this balance right…
…
Ms THOMAS *- … I appreciate that the Council considers and management considers core part units rather than courses. The number that you referred to, … was 323 courses in 2024 with two thirds of students enrolling just 30 of those, ... What you're saying is it's actual units that management bring to the Council. In terms of what?*

Prof BLACK *- We bring both. Council doesn't sign off on the details of units or courses. In fact, that's one of the things we have an academic senate that ensures the academic quality of what we do. Part of our governance mechanism is that those parts of the work which are to do with the quality of what we do, actually, Council - and it's structured by the Act - has a separate body in TEQSA.*[60] *The national regulator requires us to do it that way, and that ensures that we've got peer academics reviewing the quality of what goes on. We're not asking Council members who may not have that expertise to engage in that process.*
I would say an important part of it, and this goes to community piece, is our courses have advisory committees, which are an important structural way in which we get community soundings about what's occurring. But many of our courses, we have such direct relationships, if you think of all our health courses, we are so enmeshed in the healthcare system that we get feedback real-time about whether those courses are hitting the mark or not hitting the mark.

That has enabled us to be in healthcare, a really valued national healthcare provider, because we're super responsive. An important part of our economics is the healthcare that we deliver in New South Wales. That has occurred because being a very responsive Tasmanian healthcare system, the New South Wales healthcare system was looking for a provider that would - or parts of it - that could provide that level of responsiveness. The result of that is, we're the largest national provider of postgraduate nursing training in the country. That's again because of this constant responsiveness to what's needed.

Any time in Tasmania where there is a misalignment between what we're doing and what the professional community needs, we hear about it loud and clear. Quite often you hear

[60] Tertiary Education Quality and Standards Authority

about it publicly in a way that most universities never do. It makes us very attentive to doing it.

I think, if you look at our graduate outcomes, even the highest employment rates of students in the whole country, around the highest levels of income per student, of income students earn once they left the university in the country, they're very good measures of 'are we creating graduates that industry, community value, employ at very high levels, pay highly?' That's that very close relationship that you end up having in Tasmania. We do way better than many of the big group-of-eight type universities on these measures.[61]

Professor Black spoke to the issue of student retention within UTAS with respect to social disadvantage:

> ***Prof BLACK*** - *... The more people are going through the University with disadvantage, the more challenging retention rates are because of the financial challenges of doing it. You would have seen the Commonwealth Government just introduced this in the last week, the funding for payments of students who are doing in their prac places for nursing for -*
>
> ...
>
> ***Prof BLACK*** - *Yes, but you can see if you're coming from - remembering that we've got short, almost 50 per cent of the State is in the bottom quartile, and 34 per cent of our Tasmanian students are much higher than most universities come from that bottom SES*[62] *quartile. If they don't have things like those prac payments, there are many people who just don't complete. Not because they're not good students. In fact, one of the things that we are probably most proud of as a university is that our success rates of our students from our bottom quartile, our top SES quartile, are very close. They're not perfect yet, but they are really close. That is important.*[63]

Mr Barling spoke to the highly competitive market that UTAS operates within:

> ***Mr EDMUNDS*** - *... I was fascinated what you said, .. about having more mainland students than Tasmanians. I imagine that is a very competitive environment both online but also for people who want to study in person. Can you talk to the value in that 'recruiting race', so to speak, of the value of, say, the culture of the university having contemporary courses and units, but also contemporary facilities?*
>
> ***Mr BARLING*** - *... It is a highly competitive market. The whole nation is getting more mobile around higher education, students are moving more, it is not just our state, people say people are leaving Tasmania more, people are leaving South Australia more, and people are leaving Victoria and New South Wales more too. It is not just a Tasmanian dynamic. There are probably a few things that stand out in how we put ourselves into that market to make us most attractive, and remember a lot of it is online. The first of that is having a distinctive course. It is having a course that people can go and sometimes that can be something as distinctive as marine and Antarctic science, which we are great at, but other times it can be how we deliver the course.*

[61] See Transcript of evidence, Public Hearings (22 August 2024), p.23-24

[62] Socio-economic status

[63] See Transcript of evidence, Public Hearings (22 August 2024), p.24

Think of our education course. We now have over 500 EFTSL[64] in our primary education course and a large number of those students are online because we deliver it in a certain way. Our psychology course, most universities offer one, we have a greater exposure to clinical practice in our course and so students are attracted to it.

We are on a platform called OUA [Open Universities Australia], which is a national platform for university courses. We are highly competitive on there around, first, the nature of our courses and, second, to another point, the experience our students are having. So, we rank in the top 10 per cent on OUA for the experience our students are having as well.

The facilities piece is critical: there is no doubt about it. We have seen the benefit, look at IMAS,[65] it is a great example. We have had such success with marine and Antarctic and fisheries both from a research and a student perspective. The investment in that facility and now the investment we are making into Taroona, is absolutely critical for that success. We are seeing increased numbers in the north-west. The investment the Government, State Government and Federal Government helped us make in that is now starting to bear fruit for a bunch of people who are now coming to learn, whether it be a course we already did, because we are more visible, or new courses like nursing and pharmacy, we are now operating in those new facilities. The facilities are both an attractor but also a facilitator for the right types of offerings in the regions.

There are quite a few factors at play there, but you have touched on probably the three key ones.[66]

Mr Barling commented on the aspect of the fact that many Tasmanian students enrolled at interstate universities rather than UTAS:

***Mr BEHRAKIS** - … some figures were sent to me via the Commonwealth Department of Education which said a large number - I think was something like 30 per cent of Tasmanian students - are enrolling at interstate universities as opposed to UTAS. Is there some explanation for why they're not enrolling in UTAS and they're going elsewhere. What's the plan to bring them back here?*

***Mr BARLING** - Bring them back? That's a complicated question. Higher education is a national market. That's something we're very realistic about. We offer a comprehensive set of courses, but we don't offer everything. The first reason students leave us is because we don't offer veterinary science. It's too expensive: we don't get the placements from the Government to do that. There are some other courses like that.*

The national competitiveness … around how the mainland universities are targeting our Year 12 students in particular is a strong dynamic, and something you need to work with. There's nothing wrong with our students going to get a good education in a degree that we can't offer, or an experience we can't offer, and to then use those skills to help us. A lot do come back.

[64] Equivalent full-time student load
[65] Institute for Marine and Antarctic Studies
[66] See Transcript of evidence, Public Hearings (22 August 2024), p.25-26

There is a large online component in Australia around higher education too. The 30 per cent you see, a large part of that, in fact the majority of that, would be online students. I'll just remind you that we are the fourth biggest online operator in Australia. The students we perceive to lose because they've chosen to do it with another university, which may be a course or something that we don't provide, we get back in spades.

Mr BEHRAKIS *- You're suggesting it's sort of a 'you win some, you lose some', but we're winning more than we lose?*

Mr BARLING *- We are absolutely winning way more than we lose. Even from a Year 12 perspective now - so the Year 12 students people talk about a lot - we are getting more back than we are losing elsewhere. We know, because of Tasmania's hook, our Year 12 students quite often come back to Tasmania.*[67]

…

Mr BEHRAKIS *- On my previous comment about 'winning more than we're losing', as far as the interstate and we're playing in the national market, so to speak, and all that – Figure 13 in the document the University provided in response to questions, suggests that the people leaving*[68] *- Tasmanian Year-12 leavers going interstate is outpacing the inflow of interstate students from elsewhere. How does that jive with the 'we're winning more than we're losing'?*

Mr BARLING *- That's just Year-12 students, and that's from two years ago. We do track it: this is data that we get from the HEIMS*[69] *system. We track it year to year and our information shows that we've crossed that threshold now. And, that's just Year 12. We have over 30,000 students at our university. We're a population of half a million people. The vast majority of those students are interstate students. We are properly punching above our weight in this regard, and the fact is, we could not sustain our university financially if we didn't.*

Sometimes those programs are profitable and drive a profit. Sometimes they're actually to help us deliver scale to a course that's needed in Tasmania - that if we didn't offer and didn't get interstate students studying online, that course's viability would come into question. So, there's both a financial parameter here, but there's also an actual mission-driven thing as to why that interstate education is so important to us.

Prof BLACK *- … the way funding occurs in higher educational strategies, if you're not a university of close to 20,000 EFSL (Equivalent Full-time Student Load), you're not going to have sufficient scale to be sustainable. We're not like other parts of the world where universities are funded to be tiny boutique places. It's a policy choice, not made by us. It's a national policy choice. That's why we have to have a significant number of interstate students or we couldn't provide for Tasmanian students because we couldn't be a university with the kind of scale needed to offer a really world-class offering to Tasmanians. That's why running this university is a complex mix. But, the other big strength of interstate students, given our population challenges, is that we want as many of them as possible to be Tasmanians by choice. Those who come here, love it, and stay*

[67] See Transcript of evidence, Public Hearings (2 October 2024), p.24
[68] See Attachment C, p.25
[69] Higher Education Information Management System

because we need lots of young people. We need skilled young people and we need them to stay. It's a strategic play for the State to attract interstate students to be here and to be interested in Tasmania.[70]

Professor Black commented on whether he thought that the State education system produced sufficient tertiary-ready students for a future degree-qualified workforce:

Prof BLACK *- No, by a long way. The Accord identifies that by 2050 we need 90 per cent of our school students to be ready for tertiary education. Currently it is: low 50s is the number we are getting at TCE:*[71] *we are getting an ATAR,*[72] *which is not a bad proxy for 'Are you ready at least for university?' of 31 per cent, and, as you know, I have been quite public that has been in decline. Noting that, though it has been in decline around the country in regional settings, that is an enormous gap to where we are today.*

Nine out of 10 new jobs are requiring tertiary education. When you think about the inequality gaps here in Tasmania - and the one I like to point to most is this life expectancy inequality gap between centre of Hobart-Bridgewater-Gagebrook, it is 20 years. Twenty years. So, that that is scandalously large.

At the core of our ability to close those gaps is education. There is no more powerful lever to do that than to close that gap. We see what it means for incomes, we see what it means for life expectancy, for health. So, we really need to see, and be publicly, hugely committed to the idea, that essentially every child who goes through school completes school, ready for the next step in their education. That is where the world is heading. It's where Australia is heading. It's where our economy is heading. If we do not adapt to that, we will fall even further behind.

The great thing about being this state is, with a single university, a school system where university and schools work really well together, a TAFE that we work really well together with, we can create an integrated education system that delivers what Tasmania needs. We all need to commit and believe that every child can make it, and we have every reason to believe they can.[73]

The Committee also heard from Mr Barling with respect to what data was available for keeping track of graduating Tasmanian Year 12 students and their future tertiary pathways:

Mr EDMUNDS *- ... Is there any data available that talks about whether younger Tasmanians who go to university on the mainland ever come back, and vice versa, retention of younger - or let's say students - who do move from the mainland to Tasmania and then stay?*

Mr BARLING *- Yes, the 'staying or coming back' is the hard bit in that question. We have the data on who leaves and who comes to us that we could provide to you over a long period of time. The one thing we have done that has helped us understand student movement a little better for Tasmanian students is the Schools Recommendation Program*

[70] See Transcript of evidence, Public Hearings (2 October 2024), p.26
[71] Tasmanian Certificate of Education
[72] Australian Tertiary Admission Rank
[73] See Transcript of evidence, Public Hearings (22 August 2024), p.26-27

(SRP) that was introduced into Year 12 through COVID, as a way of helping alleviate the stress on Year 12s of that. That has allowed us to gain a lot more information around our students that we now hold, so we can track the students.

What we saw post-COVID, which was really quite startling - the number does jump around a little, because they'll put in their application with us through the SRP, we get the information. Now we're able to track them when they come back to us, and we saw through that period - I think there was one year, and I'll check this number - it was close to 20 per cent of students that left Tasmania came back.

That's our role. You know, there's nothing wrong with a student choosing to go to pursue something elsewhere - a course we don't offer, or a particular experience they want to have. What we want to make sure we are, as a university, is we are there for them if they want to learn and if they want to learn in Tasmania.

CHAIR *- Coming back for post-grad or something like that, you're talking about?*

Mr BARLING *- Yes. There are some things - dentistry, we don't offer - there are things we don't do, but we need to be there for them. If they choose to go and want to come back, that's great news, too, and we're going to be there for them.*[74]

Professor Black and Mr Barling informed the Committee that there was no immediate cost-savings associated with UTAS providing on-line courses to students:

Mr SHELTON *- ... we're here talking about your finances, and you mentioned there's no difference in online courses, they're just as expensive. I certainly can concur that initially online courses take a lot of money to put them together, and so on. Wouldn't your finances improve over the years to come, because the bulk of the work on online courses has already been done and, apart from the maintenance and the upgrading, the bulk of that work and expenses have already been invested in the online training and, therefore, efficiencies will be gained from that over the years?*

Prof BLACK *- Online courses and in-classroom courses need to be updated at the same rate. Knowledge changes, however you are delivering it, at the same rate. So, the update costs remain the same, and sometimes they are greater. It's often easy to switch around what you're doing for an in-class course than it is to be reloading up into online platforms. It can actually be easy to upgrade for a class.*

As I said, the thing that is advantageous for us - which is why the economics of online is important - is you can add scale. You can bring down the per unit, the per student cost of that course, because you can create scale. That's what we have done with our mainland offerings. The basic provision of it is a very similar cost, but the scalability is where you get the benefit.

Mr BEHRAKIS *- Just on that, I suppose at the same time a high proportion of online students, compared to face-to-face, you're not having to worry about parking facilities*

[74] See Transcript of evidence, Public Hearings (22 August 2024), p.27

and building lecture theatres and maintaining lecture theatres and the like. There's that cost factor, as well. On that, I think it was about 2021, there was that announcement that was much discussed about moving away from face-to-face lectures. Since then, has there been an increased proportion of the students being online?

Prof BLACK *- No, it was very unfortunate the way that was communicated or played back, frankly, misrepresented in the media. It was not the purpose of it at all. What we actually wanted was to have - given we have a low staff-to-student ratio, 1:20ish - we wanted to have more students spending more time actively engaging with their teaching staff in the classroom. If you can get the knowledge you need to turn up, in this day and age, that comes as reading, viewing a lecture online, or components of lectures online, whatever the mix is, that enables you to spend more time in the classroom. That is not online. We have given flexibility to various parts of the university that wanted to switch that model up and around because it suited the way they wanted to teach. In this day and age, students - the digital natives particularly - are getting the basic things they need in all sorts of digital formats.*

What we want to really prioritise is the human engagement. We don't want that to be about just downloading information. We want that to be as rich an exchange as possible between students and each other and their teaching staff, because we know that's where the magic happens. That's where the learning really occurs - active learning. Passive learning is okay, but there is nothing like active learning, when you are being constructively engaged. That's really what the opportunity looks like. Online is where we are doing all of the above. We are providing the content, the engagement, everything, in an online environment. Different worlds.

Mr BEHRAKIS *- To take that point, and maybe to separate the two things, has there been a proportional increase in online students compared to face-to-face, separate from that?*

Prof BLACK *- Yes, over time, and it is a national trend. What a lot of that reflects is the changing demographics. If you are an older student working part-time, those students, on average, will prefer to do things online because they can fit it in within their life. We would also note that COVID did produce some younger people who also want to engage online at a slightly higher rate than was the case before that. It is a general trend. However, we are a university deeply committed to delivering education in person, in place. That's why we have invested in our facilities in the north and the north-west, in the renewal of the ones we've done in Hobart. We fundamentally believe in getting kids, young people - all people, because they're not just young people anymore - in the class learning in person, if that's their choice.*

Mr BEHRAKIS *- … If there's a normalisation and an increase in people taking online courses for numerous reasons, does that then open those students up to the wider market of universities? And if I can, as a student … I can sit in my house in Newtown, I can do a degree with UTAS or I can do a degree with Monash or with whoever else at that point. What's the comparative advantage in studying at UTAS versus other universities as a Tasmanian whereas before it was the only university in Tasmania?*

Prof BLACK *- Yes, we face that really directly and we win in the online space because the quality in those online programs that are competing nationally. ... that's where we win because we actually are really good at doing that. Part of our distinctive advantages come from the fact that, in order to meet the needs of Tasmanians who can't make it to a campus, we've had to become good at that. Therefore, it's become a competitive advantage which we're likely to be able to retain because we've now got scale doing it and we've got exceptional people who do it and deliver it.*

We want to always provide choice. We have no fear that there will not always be a significant cohort of Tasmanians who want to come on campus and do it in person. That's because they're all sorts of things you can only do when you're in person. You build relationships with people you engage with, people who are doing different things to what you're doing, you participate in all the terrific extracurricular activities that students do.

Those will always be really valuable things that people seek in addition to going to class and they really matter, they're really valuable. They're important for building social capital that helps us tackle the inequality challenges. So, we're confident both of those universes will exist. When you think that much of the growth of higher education to come will actually come in these cohorts, for whom school wasn't successful, a fair bit of it will continue to come in an online space. That will be really important so that those people can get the economic opportunities they will need.

Mr BEHRAKIS *- ... to clarify, you would say that the students that you're getting from interstate joining the online courses, exceeds the students that we potentially are losing to other -*

Mr BARLING *- Categorically. ... You've only got to see we're getting 7,500 to 8,000 interstate students every year, that's full time equivalent too, I'm pretty sure. We are the fourth biggest online provider in this country. We outperform other universities on OUA, the national platform where it is shared.*

If we weren't doing this, our viability would absolutely be in question because of the range of services we offer across the State. This is a really important market for us. The more competitive the better. There are only so many people in Tasmania. There's 30-odd million elsewhere that we can attract. That's an advantage for us.

I am keen to bring it back to the terms of reference to dispel the rumour around IT or online being cheaper. Rufus mentioned the fact around licences and 25 million versus 10 to 15 [million] a year for our maintenance of our campuses. I'll give you another example to make the point probably clearer. We replaced the student system a few years ago that cost us $34 million. That's nearly twice as much as the cost to build the library in Launceston. It's almost as much in real terms as IMAS. So, I am really keen to make sure, when you look at our finances, we don't break them down like that necessarily, because our students have both online and on-campus delivery- now a lot of them, it's not an either/or, it's quite often blended.

So, we can't break our numbers down anymore to differentiate it, but we know that online costs a lot to offer, but we know it's important to students being able to access education.[75]

Attachment C (pages 20-25) provides further details on the following:

- the retention and the completion/attainment rate of all students attending UTAS broken down by category –
  - the domestic bachelor six-year completion rate for all student cohorts was 62.1% which is consistent with the national average (2017-2022)
- trend data on the number of on-line students studying at UTAS over time: UTAS has a higher proportion of students studying by distance and mixed mode compared to the national trend, and
- analysis on interstate Year 12 leavers commencing on-campus study in Tasmania (an increase of 33.2 per cent between 2015 and 2022) against Tasmanian Year 12 leavers commencing on-campus interstate (a decrease of 11 per cent over the same period).

With respect to ensuring continuing student enrolments at the Inveresk campus, Professor Black shared the following:

> ***Prof BLACK*** *- … We are seeing an uptick in enrolments which is excellent. … What we do know though is we participate in a large-scale national survey of student experience of spaces. Those facilities have taken us to the very top of the list of the kind of quality of experience students report having in those spaces. So, they've gone from not a great experience to some of the best experiences you could have.*
>
> *In locations like ours, which do require students to make quite big choices about whether they're going to stay, but equally whether they're going to come, you have to win on every front. There are a lot of very attractive campus environments around the country. In order to make themselves sticky and attractive, universities continue to invest enormously in creating those environments. We would anticipate that the benefit of that will be real but retention is about a lot more than space, and retention is an awful lot about disadvantage and whether or not we can overcome the many barriers to completion that students face which are practical, they're financial, they're often to do with their mental health and wellbeing.*
>
> *That's why, the University's Accord aims to create a needs-based funding system which will go after those things that once we can get them liking them on the campus to see them completing, we need to invest a lot around them. Given the state from where some students arrive, we have to invest to make sure that we continue to provide the best possible academic preparation for those students so that they're fully equipped to succeed. It's a very holistic kind of project but there's no doubt that one of the things that makes students sticky is, do they have a friend? Do they have a sense of belonging?*
>
> *That's where campuses that actually do if you're an on-campus student - remember that's only a portion of students because of those who are fitting into the rest of their life - the*

[75] See Transcript of evidence, Public Hearings (22 August 2024), p.28-30

better a campus can work. Often, in our kind of world, it's the better an individual building can work because being on a big campus just wandering around doesn't lead you to bump into people. This is why the STEM piece matters.

When you are after your class, not just wandering off on a big campus, but you are actually able to study there with other students who are in the same class as you are, and possibly some people you see week in week out who are doing other things, you have a chat. If that happens to be a cafe there, you have a chat. That's why modern spaces really need to reflect how do you create that kind of social engineering that creates belonging, creates connection, creates friends and that on a modern campus needs to be a deeply thoughtful project.

That's what you will see in those spaces in Launceston, we aim to make them. They all have internal atrium spaces where students can study together. You see it in the ground floor of the library. There's a cafe there. We put a lot of deep thought into effectively creating the social engineering to make those things work. Our old buildings are not like any of those.[76]

Funding for Proposed Science, Technology, Engineering and Mathematics (STEM) Facility

At the public hearings, Professor Black spoke to the challenges faced by UTAS in funding a new STEM facility in the South:

CHAIR *- ... you talked about your funding models and the reliance you've had on Government assistance. You said you're relying on Government assistance for the STEM facility. I assume that's from the Commonwealth Government?*

Prof BLACK *- Yes, although I would note in the renewal of the northern facilities, the State Government - indeed, local councils - made important contributions to that renewal.*

CHAIR *- What's your expectation for the STEM facility, then?*

Prof BLACK *- The STEM facility, a renewed STEM facility - remember, we have been renewing parts of our STEM facilities over time. So, Medical Sciences has significant STEM capacity, our IMAS facilities on Salamanca have significant STEM capacities. We are investing ourselves in our STEM capacities at Taroona that support a lot of our marine work. So, this is the remaining core STEM activities. It would cost about, wherever you'd put it, about $500 million. Right now, we could make no contribution to that. We would need Government to make a very large part of that contribution. Commonwealth does not make 100 per cent contributions, so there would be a need for a State-level contribution. At present, we don't have a set of assets that we can free up of that scale to make that contribution. That's where having unencumbered assets, as we've flagged, is a very important part of that process.*

CHAIR *- You're saying about $500 million is required?*

[76] See Transcript of evidence, Public Hearings (2 October 2024), p.22

Prof BLACK - *In total.*

CHAIR - *In total for all their STEM facilities? Does that include the new facility?*

Prof BLACK - *That's just the new facility. All the others are either paid for or we have a funding model for, like the STEM facility we're building at Taroona for our marine and aquaculture work. For the STEM work that goes on at Sandy Bay today, to bring that up to contemporary standards - which is vital for the State - that's $500 million, approximately.*

CHAIR - *Is that regardless whether you build a new facility or whether you repurpose the existing facility?*

Prof BLACK - *Either way, that's essentially what it will cost you. If you are repurposing some of what we had at Sandy Bay, it's an enormous retrofit cost. Those buildings are extremely aged. They can, there are elements of them that are retrofittable, but even meeting the basic earthquake requirements, let alone access requirements, the modern kind of facilities that they need inside them is an enormously expensive process. So, wherever you do it and whether it is a combination of retrofit or new build or completely new build, it will cost in the order of $500 million.*

…

Prof BLACK - *… if Tasmania wants STEM facilities, somebody needs to contribute. And you know, we would welcome the State Government making a sizeable contribution to it because it's critical to Tasmania's future. If you look at the kind of, you know, the report Saul Eslake*[77] *has provided, he highlights just how important it is to lift the State's productivity. The single best lever, and one of the single most powerful levers to lift productivity, is to lift the size of your STEM workforce. If you lift it by just 1 per cent, that delivers a multi-billion dollar increase in over 20 or so years of actual income to the State. If you look at the difference it actually makes, it's huge, which are the future industries in Tasmania, and they require STEM knowledge. If you want to realise the agricultural output increase the State rightly aspires to have, a huge amount of that requires enormous investments in science in order to deliver that.*

So really wherever you look in the State or you look across what are we going to do in renewable energy, where are the engineers going to come from for our renewable energy, managing our renewable energy growth or for managing Marinus. Where are they going to come from in order to ensure that we can sustainably develop the State, that we protect our environment and regenerate it along the way? These are all STEM occupations. …[78]

At the public hearing, the Committee heard from Mr Barling and Ms Beaumont on the UTAS Southern Transformation Master Plan:

Ms THOMAS - *… in terms of the current Southern Transformation Project, which includes Domain Medical precinct, Wapping, Midtown and West End, will the student numbers forecast be sufficient to fund this entire master plan and maintain the*

[77] See in general, 'Independent Review of Tasmania's State Finances', Saul Eslake (August 2024), https://www.sauleslake.info/wp-content/uploads/Report-of-the-Independent-Review-of-Tasmanias-State-Finances.pdf [Accessed 17 March 2025]

[78] See Transcript of evidence, Public Hearings (22 August 2024), p.5-7.

infrastructure ongoing, or will that somewhat rely on, again, the policy changes and settings in relation to international students?

Mr BARLING *- The plan around our student base and the investment we make in our facilities is not necessarily dictated by a particular facility in a particular spot. The investments we're making in Hobart right now in the south are focused on the Forestry building in the city, and focused on IMAS Taroona. We've just finished some work on the Domain. That work will deliver more than 60 per cent of our students in the city and the majority of our staff then being in the city from next year. There's still some work to do around which actual disciplines are there. That's underway at the moment and as we get to that point, we'll then work through what that looks like from a further investment perspective.*

The perspective Rufus gave at the start though is beyond that investment with the current settings, policy settings and limitations we have. We can't commit to any more capital construction ... It's also critical to understand that the assets we have in order to do that, if they're encumbered in any form that limits our ability to make any investment whatsoever. ...

Ms THOMAS *- ... I guess there's current works going on separate to that in the south and there is a master plan that doesn't include, as far as I'm aware, the STEM facilities, this $500 million that we're talking about. So, the current Southern Transformation Master Plan and the works are being undertaken. You're confident that the University can complete those works within its current financial position and maintain that infrastructure ongoing?*
...
Prof BLACK *- ... Even if all we did on Sandy Bay was to keep the current STEM facilities, they need minimum another $116 million just to stop further deterioration - not to upgrade them, not to make them better - just to do that. If we were to do a basic refurbishment as they currently are, it's about $192 million and that's not new labs. That's fixing the carpet, fixing the heating, fixing just really basic stuff. That's $192 million.*

That's why this STEM question is really live, because standing still is not a solution for Tasmania anymore. Standing still is a problem. That's why we want to flag that this is an issue the state really needs to work with the university to solve, because it's for the State. Standing still, doing nothing, is not an answer.[79]

At the public hearing, Professor Black and Mr Barling spoke to the need to having a new UTAS STEM facility, the reasons why UTAS are unable to repurpose the existing facilities at the Sandy Bay campus and the estimated costs:

CHAIR *- ... Some would say that you don't need a new STEM facility: you can still teach STEM in the current facility. So, I'm interested in why you believe there needs to be a brand-new facility and why it's going to cost, ... $500 million ....*

[79] See Transcript of evidence, Public Hearings (22 August 2024), p.35-37

***Prof BLACK** - Yes, it's in that order of magnitude. ... Our STEM facilities are extremely aged. What that means in terms of - and let's deal with the separate pieces of research versus teaching. The teaching labs are a very long way from the kind of high-quality, best-practice teaching labs that students looking around the country as to where they would get their education would see. If you go to a lab at the University of Melbourne or other places that students might reasonably choose to compare with, they are vastly better equipped for the purpose of teaching.*

You'll see that there are screens immediately in front of where students are at. The way the whole capacity of those labs to operate really efficiently is very different. That's really important for the sustainability of our labs. Not only do they have significantly better facilities for better teaching other places, but they're also much more efficient. A current teaching lab, if we have one, is one where you might get 50 per cent utilisation of it, because you teach a class, and at the next class you have to then completely reset it. A contemporary kind of lab, you actually wheel in, wheel out, between classes, the things that you need to teach it. The difference in terms of sustaining effectively an investment half the size - which in Tasmania as we've highlighted is really critical - you need to be able to have those kinds of highly efficient, teaching labs so you can maintain a smaller capital footprint. You can see how much big capital footprints are a real challenge to us to maintain, to renew. You want to be able to operate on a much, much more efficient footprint, and one that's got better quality for students.

We face the basic competitive reality, that already universities of Melbourne and Sydney fly Tasmanian Year 12s to Melbourne and Sydney to see their extraordinary facilities. Any sensible student who looks at what they would get available in Melbourne versus what they would get in Tasmania - we're comparing labs from the 1960s with the labs of 2025. I mean, these are completely different propositions.

Not only that, the total environment they operate in is really different. If you go to a kind of lab, the University of Melbourne, you'll see they're kind of places where a whole range of other learning opportunities are wrapped around and students are able to stay in those environments and continue to study, engage with each other. These are really rich learning environments. It's a long way from what we thought education was in the 1960s. If we want to keep STEM students in Tasmania, we actually need to have a competitive proposition. If we want to teach them well, we need labs that are cutting edge. If we want them to be efficient, we need those kinds of labs. That's why virtually every other university in the country is in a continuous process of ensuring they keep those labs up to speed.

If you look at our research facilities, our team - we have a fantastic central science laboratory, but that is extraordinarily aged and constrained. The team there does a remarkable job providing for our broader science team, but they are working in trying to get new equipment sustained and maintained in a building that was never designed for what it now houses. Ensuring that that is managed safely and managed well is a really big challenge compared to what you'd have in a contemporary facility.

We also need to be able to - if you're going to have contemporary STEM facilities, you're wanting to be able to bring people together so you get the interdisciplinary exchanges *that actually often is what leads to breakthroughs. You want to be able to have these facilities so that the community can see and be excited by what STEM is about, so that it's transparent and visible. If we don't excite kids about STEM, we're not going to have a STEM future here. You want it to be easy for industry to collocate and be a part of your world.*

Again, these are all normal, regularised things in other Australian universities.

***CHAIR** - So why can't you repurpose the current facility?*

***Prof BLACK** - Because they're not designed for any of those things. Where you've got substantial enough - there are some pieces which we could retrofit for some purposes, absolutely. That's why at the moment we are doing work to say if we were putting a STEM facility in Sandy Bay, which pieces would you need to be new to meet some of the requirements I've got? Which pieces would you need to retrofit? How would you integrate those together? That's a concept which we are obviously very actively exploring because of the enthusiasm for working out what the best option for our STEM teaching is. We are always looking at all options and we are in quite a different era to the era when we originally made that. Back in 2018-19 when we were making these decisions, we're now kind of in the mid 2020's. The world's moving on. We're looking at all options, including what you can refurbish and what you can't.*

***Mr BARLING** - If I could give a local example, because they always help to put perspective to this. Our Institute of Marine and Antarctic Studies, IMAS, on the waterfront was built back in the mid-2010s. It was sitting in a corrugated iron building at the back of the Unigym. Since it's been moved, two things have happened. Our research in that field has grown, not by the millions, but by tens of millions. The most popular course we have in the whole university for interstate students coming out of year 12, which is what we want, is the Bachelor of Marine and Antarctic studies. Investment in these things makes a massive difference to how you can attract students. We are a national business and we compete on a national landscape. Our ability to attract the people to come and be the engineers or the technologists or the maths teachers is so critical to our future.*

***Mr BEHRAKIS** - … what you are effectively saying is the existing facility, why couldn't you just gut it and put all the latest tech, the latest design in? Is the point you're making that the existing buildings just aren't configured to allow what is best practice today? Is that what you're saying?*

***Prof BLACK** - Some facilities you could completely gut and get to work. Some you couldn't. Some just don't have the facilities, space, floor plates to do that. Some you could do that. It costs very similar when you're doing that complete gut and retrofit. As soon as you do that, all those buildings have to come up to contemporary code. That is everything from lifting them to current earthquake standards to current accessibility requirements. Effectively, you keep a shell and then virtually everything inside them is completely redone. There are some buildings that that could be achieved in, for some purposes.*

…

***Prof BLACK** - … We're certainly open to doing that. That's if we are staying on Sandy Bay. We would look to retrofit what can sensibly be retrofitted and put the new* *things that needed to be new. If we're staying there, that would be the responsible thing to do and that's what we would do. The idea that you could do everything we need to do inside our existing shells just doesn't recognise the reality of contemporary facilities. That we could do both together to get a really good outcome for that campus, on what would be a significantly smaller total campus footprint and therefore long-term for us, a much more sustainable footprint -*

***CHAIR** - You will obviously need to be in close proximity if you're going to repurpose some of the facilities. Is that right?*

***Prof BLACK** - Yes, it would. You would definitely need the new buildings to be well-connected into the existing core of the campus. Everybody really sees below Churchill Avenue as the core of the Sandy Bay campus. That area above the ovals. Of course, we value the ovals and the sporting precinct but that area between the ovals and Churchill Avenue is the core of the campus. It would be consolidating, into that core of that campus, the combination of new and old that you would need to be able to have a truly contemporary STEM offering.*

***CHAIR** - Is this the current plan, ...?*

***Prof BLACK** - We have been asked to develop options about what our future would be. We have been consulting with our staff around what options that would be. That's been informing how we create some options between where we might want to go. What we need is a funder who is prepared to fund a good option that they really care about and believe in, and one that our staff with all their expertise, meets the requirements that they have set out and specified in our consultation. That's the option that we need. That's an important negotiation with whoever is prepared to provide the investment the State urgently needs.*

***CHAIR** - What cost estimates have you done on this, assuming you're staying at Sandy Bay?*

***Prof BLACK** - Until you have a detailed design brief, you really are only talking in very in big rounded numbers, which is -*

***CHAIR** - So it's still the $500 million?*

***Prof BLACK** - It's in that order of magnitude. That's a useful order of magnitude because it roughly represents what it would cost to create that amount of space. Effectively, whether you put it at Sandy Bay or somewhere else, the cost per square metre is not radically different when you have to do that complete retrofit of buildings, and with an existing campus, you also have to attend to the other issues to make that campus work. On Sandy Bay, which has significant accessibility issues, the gradient fall between the top of the campus and even the ovals is many storeys. It's a very unfriendly campus for accessibility. So, you also have to simultaneously attend to the other issues that surround it, which obviously you don't have to do if you're doing a completely new build. Our campus has to be accessible to all Tasmanians, and it currently isn't. That's why it's not a* *simple apples-for-apples comparison when you're looking at those, but we have taken very seriously the notion of what we do on Sandy Bay.*

To take you back to the original decision - the original decision was always a complex trade-off. We had a whole series of criteria in that original decision. Inevitably, it's a judgment on balance. There's not some simple 'everything singly stacks up' in one option. We remain open to a solution that works for Hobart, works for Tasmania, and equally works for a funder.

***MR WILLIE** - Just on the $500 million cost, there's been some discussion about that in the public domain. Can we have more detail on how you arrived at that cost? Is that a cost per square metre for similar facilities?*

***Mr BARLING** - It's our estimate. ... It's a big round number for a reason - because the level of work to develop it hasn't happened yet. But two things have informed it: what size and type of building will we need, and what is that cost per square metre at a rough level. That gets us to a number similar to $500 million.*

The other one was the work we did on the STEM business case for Infrastructure Australia back in 2017, which was for the STEM facility in the city, which did come up with a figure of around $400 million. We've cost-escalated that through for the past six years to get to the figure. ... It is only an estimate.

***MR WILLIE** - Obviously, you're making a pitch. You're developing some proposals and you're going to make a pitch to, likely the Federal Government but also the State Government. Interested in the work around the contribution to the economy, contribution to education and research, or is that work being developed as we speak, or have you done some of that?*

***Prof BLACK** - That work is absolutely being developed as we speak, ... The original Infrastructure Australia case had a very positive return on it, so we would expect a new case to also have a very positive return for the State. ...*

***Mr BARLING** - We're doing that work now to refresh it, not because it was wrong, just because the circumstances have changed. Our positive 'benefit-cost ratio' is how Infrastructure Australia works it out, which is the benefit versus the cost. We're sitting close to two - which not many projects get even near. As an example, I think the Bridgewater bridge was below one.*

...

***Mr BARLING** - I'm not sure that's been through that process yet. Nonetheless, what we have is a business case that Infrastructure Australia was very strongly supportive of, which mirrored the northern one. Just to give you some reality to a theoretical business case, our northern business case went in with a similar perspective - that had a benefit-cost ratio, I think, above 1.5. We are seeing the benefits of that right now. It's not just a theoretical exercise to go, 'yes, will this work, won't it'. When we look at things like the IMAS example I gave, the investment we made of $60 million is paying itself back in tens of millions of dollars of research every year. It's paying itself back in lots more students coming to that facility. The business cases we're preparing, with great benefit-cost ratios*

- better than most other projects around the country, let alone the State - are actually reality ones - they come to life.

MR WILLIE *- So, Tasmanians and decision-makers will be able to compare proposals with that sort of information for both? One where you remain on Sandy Bay campus in a scaled-down footprint, and one for the city still?*

Mr BARLING *- Yes, that's how we're refreshing it. We're refreshing the whole business case. That was done in the first version, but it was done on a city basis first. We're actually refreshing the whole thing to say, yes, 'let's get those two scenarios' versus our 'what is the base case', which is running with the current facilities with no investment. These business cases work on a very rigorous basis to say, okay, work out what your current base case is based on current investment, based on current student numbers and the trend over time. Then it goes, okay, here's your scenario, let's say that's building a new STEM facility on Sandy Bay. What does that cost and what's the benefit of it, versus the same things for a city location for that build. We are going through that exercise right now. That was in the original business case, and we're refreshing those numbers at the moment.*

Prof BLACK *- Often what those business cases don't capture - and the IMAS example is an excellent one - is the strategic importance of the State. The fact that this is indisputably the home of Antarctic science and research is a really vital part of what anchors the fact that we have a whole Antarctic sector. If we didn't have that, then the proposition to be able to move the logistics to Fremantle becomes very high. It's closer to the Antarctic, it has excellent facilities.*

...

Prof BLACK *- This is where the hard-to-move human investments actually anchor at strategically important parts of an economic future for the State. That's a really important part of why you want a STEM workforce. That is a workforce that creates real local stickiness for the industries that rely on it, whereas, if you don't have industries that are linked to a hard-to-move workforce, then they are easily footloose.*

Tasmania has experienced what happens too many times when we are dependent on industries that can move easily. What makes industries sticky in a modern economy is knowledge and skills intensity, where those knowledge and skills are generated locally. Probably the State [Government] *needs to increase its focus on the extent to which that has to be the core economic future of the State. That's also a high-productivity economy, which we clearly need if we're going to work our way out of the challenging financial circumstances the State is in.*

To not be investing in effectively what underpins the human capital competitive advantage of Tasmania, that would be surprising. I think that those who gathered around investing in the north really understood that. That was a city deal, with all components, all levels of government and university, committed to the economic and social future of the north of the State, in a way that I think makes a great deal of sense.[80]

[80] See Transcript of evidence, Public Hearings (2 October 2024), p.13-18

The Committee asked the question as to why the University had not perhaps invested more in the Sandy Bay campus STEM facilities in previous years:

> ***CHAIR*** *- Why hasn't that building been invested in over the years? That's what some would say. I tend to agree. Why did you just let it go as it is?*
>
> ***Prof BLACK*** *- We didn't just let it … Universities never had that amount of money to invest in those sorts of facilities. This is the kind of long-term challenge - and any time that there has been a government funding scheme. I think the University's past governance has been deeply responsible. When opportunities arose, we invested in medical science. That was a choice to say that medical facilities were vital to Tasmania's future, which STEM things would you prioritise for medical science?*
>
> ***CHAIR*** *- So, the Menzies Centre?*
>
> ***Prof BLACK*** *- Menzies, yes, but it's more than- it's not just Menzies. It's pretty much all our health teaching. That was a really strategic - but it was only because government money was available. Then when another government scheme was available, different groups said, 'let's make sure that we strengthen IMAS', and we've heard the story about that today. That was a set of government money. Then, when a different window opened up under a different funding scheme, we invested in the north.*
>
> *That's just a recognition that the only way these things ever happen in our kind of university is that way. Now, there are universities that can do it, but they're universities that have 40 per cent international students. Who in the country is able to do it without lots of government help? It is a small number of -*
>
> ***CHAIR*** *- Quite wealthy universities.*
>
> ***Prof BLACK*** *- Very wealthy universities - who are historically wealthy, but equally, who are making a choice to have upward of 40 or more per cent international students. You can see what that would do to any university's economics. That will never be a regional university in our kind of setting and, to be quite frank, we wouldn't want to be that kind of university. We are a university here for Tasmanians and Tasmania, where we want our international students to be an integral part of a great education for everyone. We start with an educational proposition about international students and we want them to be fit and suitable to be part of a great education and to be good for Tasmania. That's a strategic choice, as well.*
>
> ***Mr BARLING*** *- … We've invested in these facilities in the north, now. We spent over a billion dollars over the period of redoing our facilities. What we're going to have is a situation where our students in the north have a different experience than students in the south and I don't think that's fair and equitable. That's where we lose students interstate. That's where we lose students to higher education altogether.*
>
> ***CHAIR*** *- That's why your medical students like to come, for the Rural Clinical School.*
>
> ***Mr BARLING*** *- They do. They love it up there. They absolutely love it.*

Ms LEIS - ... there's $30 million a year under the current funding envelope that's sustaining capital. The University has always maintained and replenished capital to ensure that these buildings - I mean, we have students in there right now -

***CHAIR** - I understand that, yes.*

***Ms LEIS** ... they are working buildings that the University cares about and makes sure that they are delivering. What we're talking about is two different levels. There's the $30 million of sustaining capital that the Audit and Risk Committee, for example, is very interested in making sure we're maintaining what we have and making sure it's functional. Then, we're talking at this strategic level about how we do the long-term capital replenishment.*[81]

At the time of completing this Report, the Committee noted that UTAS released the following public statement with respect to a proposed STEM campus at Sandy Bay:

Following the completion of the new Launceston campus at Inveresk, the University of Tasmania has today outlined the future direction for its campus in Hobart.

The plan, which is contingent on securing significant government funding, is for a Hobart campus with four key sites each providing students with experiences built around the best the city has to offer.

These sites would be a Science, Technology, Engineering and Mathematics (STEM) Campus at Sandy Bay; a City Campus encompassing existing facilities and a fully occupied Forestry Building; a Historic Campus on the Domain, the University's original home; and a Waterfront Campus comprising the Institute for Marine and Antarctic Studies at Salamanca and Taroona.

To achieve this plan, the next major steps for the University are to:

- *work with the Tasmanian and Australian Governments to develop a plan to fund new STEM facilities at Sandy Bay, which would involve complete retrofits of some existing buildings, the construction of some new buildings, and the enhancement of the natural landscape of the campus*
- *locate, from Semester 1, 2026, the Schools of Humanities, Social Sciences, and the Tasmanian School of Business and Economics in the Forestry Building*
- *sell the former K&D site and the corner property encompassing 33 to 37 Bathurst Street and 65 Argyle Street, which are now surplus to requirements, and*
- *engage with the Tasmanian Government about the future of the land above Churchill Avenue and seek support from the Parliament to ensure it is unencumbered so it can be developed to provide a funding contribution to new STEM facilities.*[82]

[81] See Transcript of evidence, Public Hearings (2 October 2024), p.25-26

[82] See 'University of Tasmania's future direction for its Hobart campus', UTAS (6 November 2024), https://www.utas.edu.au/about/news-and-stories/articles/2024/university-of-tasmanias-future-direction-for-its-hobart-campus

The Impact of the Capping of International Student Placements

The Committee noted that as announced by the Australian Government at August end 2024:

> *International student enrolments will be capped at 270,000 in 2025, as the Government aims to make the system "fairer".*
>
> *The Government is paring back student visas in an effort to get net migration levels under control and return them to pre-pandemic levels.*
>
> *The cap will allow for 145,000 enrolments at public universities, 95,000 foreign student commencements in the vocational education and training (VET) sector, and 30,000 places at other universities and providers.*[83]

Tabled on 9 October 2024, the Australian Senate Standing Committee on Education and Employment Legislation's report on the Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024, recommended the Australian Government's plan to reduce international student numbers be passed with amendments, including the scrapping of a ministerial power to impose limits on universities and TAFE providers down to the level of individual courses.[84]

At the public hearings, Professor Black spoke to the impact of the proposed capping of international student placements:

> ***Mr BEHRAKIS*** - *... on the student numbers, and the international students that we spoke about and mentioned earlier, ... this is a broader issue that's been seen around the country. What difficulties, or what is happening in Tasmania that potentially is unique to the University of Tasmania compared to the broader national economic movements? Are there any peculiarities?*
>
> ***Prof BLACK*** - *Yes, the single peculiarity here is just how important they are. Tasmania is more dependent on international student migration to maintain a positive net migration than any other state. We have a larger category of people who come to Tasmania as international students in our migration mix. They have been a vital part of even maintaining the demographic profile we've got and, as I think you know, multiple reports have highlighted Tasmania's demographic challenge is much greater than the rest of the nation. We are heading for natural population decline.*
>
> *So, net migration is the only way we do it, and we're seeing, you know, the latest numbers, we are seeing net interstate migration out of the State once again. And, again, the only corrective to that is international migration, and students are the ideal category to have. They come here, they learn about Tasmania, they learn about Tasmanian businesses and practice. So, by the time they graduate, they are the near-perfect migrant.*

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[83] See 'The government has revealed international student caps from 2025. What's been announced?', SBS News (27 August 2024), https://www.sbs.com.au/news/article/the-government-has-revealed-international-student-caps-from-2025-whats-been-announced/lu4rn9059

[84] See Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 [Provisions] Report, Senate Standing Committee on Education and Employment Legislation, https://parlinfo.aph.gov.au/parlInfo/download/committees/reportsen/RB000413/toc_pdf/EducationServicesforOverseasStudentsAmendment(QualityandIntegrity)Bill2024[Provisions].pdf

Mr BEHRAKIS *- Sorry, I wasn't talking about Tasmania broadly. I meant as far as the University of Tasmania compared to other universities, as far as the impact on the revenue base and business model.*

Prof BLACK *- No, it looks very similar to other regional universities that have had the - when the visa slowdown was created, the impact looks similar to others. Because we have had a modest number of international students, perhaps it has not been quite as grave as it has been for some who have had much larger views about how many international students they depended on. But, nevertheless, it is a very substantial impact. You would have seen that publicly in order to manage the cost impact we have had to slow down our rates of hiring staff very substantially. Really tight vacancy management in order to do that.*

So, yes, it has had a very big impact, but similar to other regional universities.

Mr BEHRAKIS *- ... I did my economics degree not that long ago at UTAS, and one of the things that we learned in the first year was the importance of diversifying your investment and revenue and what not. Looking back over the last eight or so years, and potentially we talk about the University of Tasmania and that sector generally, do you think that there's been a bit of a case where the business model geared itself towards being very reliant on the gold rush of international students and now we're in a situation where the business model for the university has become reliant on that golden goose and, now that's sort of either drying up or normalising, depending on how you want to put that, it's put the sector in a bit of a dire situation?*

Prof BLACK *- Let me distinguish between ourselves and the sector. So, pre-COVID, we made a very explicit strategic decision to reduce our reliance financially on international students to make sure that our objective in having them was educational, because it actually does significantly improve education. If you've got a greater diversity of students in a class from a greater diversity of countries across your courses, that creates better higher education. That's really where we set out to do. We set out equally, very much in line with the thinking you're offering there, to diversify where our students came from.*

We were significantly over-exposed to just one or two countries, one country particularly. So, we sought to have a modest number that we thought proposed the right kind of balance educationally for us and made an important financial contribution, but, you know, in a balanced way. You would have seen the numbers. We currently have about 10 per cent international students in our mix. The University of Melbourne has over 40 per cent, University of Sydney, it's around 50 per cent. These are completely different approaches. Those universities have unquestionably become highly dependent on them, but they're highly dependent on them because the nation looks to universities to deliver its research future and it doesn't fully fund it.

The only place to meet the nation's research objectives that universities have been able to turn to has been international students. I publicly said, just the other day, that I thought that was a national risk. A very large portion of those students I am talking about are Chinese students. To basically have your national research scheme funded by students *from a competitive nation does not seem to me a strategically smart thing as a country to be doing.*

Now, I think as the Government is moving to introduce a capped and managed system of international students, it is presenting it with an opportunity to actually start to rebalance our national system. We do need to be aware as we do it, and this is why it is an important conversation in Tasmania as we do it, that is where a lot of the research funding has come from. So, we have to be very careful as we do that, that we do not damage the research you need for a knowledge intensive economy.[85]

At the public hearings, Professor Black and Mr Barling spoke to the risk rating behind international student visas and their impact on UTAS finances:

CHAIR *- This is about international student revenues basically. It is really clear that the numbers have changed and the reasons behind that. Federal Government action may assist, but what is the time frame for that? Do we know?*

Prof BLACK *- We are anticipating next week to know what our cap number is, so the number we will be able to recruit to. The very important thing is that the cap is really only one element. Equally important, and for us the even more important reform is what happens to the visa processing system. The visa processing system at the moment is what has been used to slow down the numbers because there was not a cap. That needs very serious reform because it is actually what has caused the problem this year, it has been the way the Government has used the visa processing system.*

Both pieces need simultaneous reform. The Commonwealth Government has signalled they will do simultaneous kind of reform with the introduction of a cap and visa processing system will be amended to enable us to achieve that cap. The visa processing system is governed by regulations, so Government has a degree of flexibility to manage that. The Minister can make changes to achieve that - it is a ministerial directive that set up the current scheme. That does mean that even if we get a positive outcome and we get a decent sized cap, which Tasmania really pressingly needs, and we get those changes, it still takes probably a good 18 months to rebuild an international student pipeline back to where we would otherwise have been.

CHAIR *-I come to the point that part of the challenges that you are currently facing in your current financial calendar year, and certainly into the next one, is international student revenue. I was looking at some of the visa issues as you have just referred to and not being an expert in the field, I am happy to be corrected if I have misinterpreted it. I understand there is a risk rating level that sits with that and UTAS has been operating at a level 2 risk rating that has recently dropped to level 3.*

Prof BLACK *- I will explain how that works. The way the visa processing system works is that it has three risk rating levels and that really is how likely a student going through your system would get a visa.*
…

[85] See Transcript of evidence, Public Hearings (22 August 2024), p.7-9.

***Prof BLACK** - To put it in practical terms, if you are coming from China, Chinese students represent very low risk. They get very low visa refusals. Why do they get very low visa refusals? This is because they almost all go back home at the end of their study: they present very little migration risk to Australia. As you get down into other countries, the level of risk goes up. Now the way universities are assessed is what is the mix of what levels of visa refusals is in your profile of students.*

When we used to have Chinese students distributed across universities, this system worked reasonably well. However, when the policy change occurred in China that directed all Chinese students to just effectively five universities, a very high portion of them, then those universities had very large numbers of students who just had no issues with their visas. That enabled them to then take a much larger group from high-risk countries because their ratio stayed good because they had a very large number of Chinese students.

The reverse was true for all the rest of the universities where they lost their easy - their kind of guaranteed - so we were always a level 2 university- tier 2 university- because of the mix we chose to have of Chinese students versus other students to keep a balanced profile.
…
***Prof BLACK** - … So, we then had to make a decision. This is the classic kind of volume, you know, how many international students did we need to have? And we did the maths, and the maths was it would be far better for us to be working hard to get international student numbers even if we dropped to level 3, and all that really meant was we were taking more students from places like India.*

***CHAIR** - So have you dropped to level 3?*

***Prof BLACK** - So we are at level 3 currently -*

***CHAIR** - And when did you drop to level 3?*
…
***Mr BARLING** - In the start of this year.*
…
***CHAIR** - … So, when the budget was set for this year, was that on the assumption of being at risk level 3 or risk level 2?*

***Mr BARLING** - At risk level 2. …*

***CHAIR** - … just to be clear, you've established a budget on a rating that would see less refusals, but the reality is that you're already at level 3, which has high refusals.*
…
***Mr BARLING** - I think the rating system - the Minister has flagged his desire to remove the section 107 direction, which establishes these 3 levels, because of the conflict it currently has with their migration policies.*

If we go back to the chart that Rufus shared earlier, you can see that the migration settings, if you look at the line around the middle line, it's attracted about 250,000 to

260,000 net migration for a long time. It's bounced back.[86] *The settings they're looking to put in place is to keep that migration setting at 260,000, not drop it any further than what it actually currently is. Might be a little bit less, but not too much.*

By putting that cap on migration and the rating system they have for the three universities, in conflict with the policies Rufus talked about from China, means that the rating system is no longer working for the Government in terms of allowing students in.

There has been very little difference between an EL2-rated university and an EL3-rated university for the time it takes for them to process applications from students from India, Sri Lanka, Bangladesh. There's been very little difference there. The fact is, the time is just too long. It's getting up above 48 days, and students just make another choice.

CHAIR *- How many refusals have you had in the last two years, then - visa refusals - particularly in the last year, when you've been at risk rating 3, or whatever it's called?*

Prof BLACK *- The risk rating 3 is completely overwhelmed, though, by the Government actually changing the rate at which it's doing visa refusals. That's why the system has completely fallen apart, because when the Government in December [2023] decided that they would slow down migration using the visa system, they significantly increased the refusals and the processing time.*

Effectively, the system is really non-functional at the moment because their rates of refusal are governed by trying to control the number of students that they have coming to Australia, not the intrinsic merits of these students. In fact, we've done a whole lot of analysis on the different kind of qualities of these students, and they're refusing students - some students who are exactly the same as ones that they're letting through. It's really a volume control that they're using. That's why the system is so broken at the moment …[87]

Professor Black, Mr Barling and Ms Leis informed the Committee of the impact of the capping of international students on the University's revenue over time:

Mr BARLING *- The conversion rate has gone from 18 per cent to 7 per cent, and that is basically almost entirely due to these new migration policies that were put in place in December - that has affected our student numbers dramatically. … that has had a monumental impact on us financially. Our budget was approved in November and December* [2023] *last year. This rule came in in mid-December 2023. So, we had no ability to plan for this, and this has had a financial impact in 2024.*

CHAIR *- This year's budget that you're preparing now, what is the basis of that going forward?*

Prof BLACK *- We need to wait to see what the Government is setting the international student numbers at and what the visa changes are. Until we know that, we are in high level of uncertainty, because those changes will move our revenue by millions.*

[86] See Attachment A, p.9
[87] See Transcript of evidence, Public Hearings (22 August 2024), p.9-11

CHAIR *- The Council was informed of the modelling and how it all looked?*

Prof BLACK *- Yes.*

Ms LEIS *- We've been looking at this quite closely along the way and having a very close look at the impact of this. To the point of the modelling, we've had a look at the forward forecast for the university for a significant amount of time now, including at Audit and Risk, Strategic Resourcing Committee, and at Council. We've been looking at that impact and therefore making the decisions that we've had to make around managing the cost profile of the university to cope with the uncertainty that the Vice Chancellor talked to. We have had significant work done with the management team on how we position this university for sustainability during this period of uncertainty.*

Mr BARLING *- If I can share a perspective of the impact this does have on us - ...,*[88] *you can see the profile of international revenue that this university has had, and the number of EFTSL (Equivalent Full-Time Student Load) over the past 10 years. You can see that from 2014 through 2019 we had strong growth, and that was on the back of very positive migration policy settings, for Tasmania in particular. We had those policy settings, and that improved our international revenue. We still only sat at about 23 per cent or 24 per cent of international students - we're not recruiting them at the rates of some of our mainland counterparts.*

Subsequent to that - and the COVID impact is quite clear in this chart - but you get to 2024 and you can see we are at a very, very disadvantaged spot now. That profile is largely reflected in our operating result, ...[89] *which shows you before 2014, our profit result was challenging. We get to 2019-20, you can see the positive financial results we are getting from these positive migration settings. Then you can see the subsequent impact from the fall in those international students, from a profit perspective. ...*[90]

Mr Barling commented on UTAS' influence on the State's net migration:

Mr BARLING *- ... But I'd also add what the University actually does provide around international education for Tasmania. This institution is responsible for about 20 per cent of the State's net migration. So, one institution is responsible for a fifth of how many people come into this state from a migration perspective. If we're not influencing that higher education policy, that number is going to be impacted and everybody around this table would understand the level of population challenges Tasmania has.*

We attract young people into this state. We need the State's help to help us influence these policies because, one, it's really important to our finances; two, it's really important for our diversity as a state and our industry; and third, it's actually really important to the State's productivity and outcomes from an economic perspective to have those extra people in the State.[91]

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[88] See Attachment A, p.25
[89] See Attachment A, p.27
[90] See Transcript of evidence, Public Hearings (22 August 2024), p.12-13
[91] See Transcript of evidence, Public Hearings (22 August 2024), p.14

Further information with regards to student visa processing and refusals, and a copy of the model relied upon by UTAS to accommodate the change in the student visa refusal risk ratings is provided under Attachment C (pages 1-6).

The Committee notes that as at 18 November 2024, the amended Commonwealth Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 had stalled in the Senate: the impact of this meant that the existing visa policy would remain in place.[92] As noted by UTAS:

> *As outlined to the Committee during the hearings the continued application of MD107 is severely damaging regional universities such as ours and creating financial challenges that cannot be quickly alleviated. This situation will continue to have a significant impact on the University of Tasmania in 2025.*[93]

Purpose Built Student Accommodation

In 2017, UTAS worked with Melbourne-based Tetris Capital to manage the design, construction, financing and ongoing asset management of the purpose-built student accommodation (PBSA) in 40 Melville Street, Hobart (Hytten Hall). The project involved the development of 422 beds of accommodation as well as additional university areas to support UTAS' growing presence in the Hobart CBD and was completed in time for Semester 1, 2021.[94]

At the public hearings, the Committee heard from Ms Beaumont and Mr Barling with respect to the treatment of the student accommodation leaseback arrangements:

> ***CHAIR*** *- Student accommodation leaseback arrangements, which avoids borrowing in some respect. Was there any requirement to discuss that with the Treasurer?*
>
> ***Ms BEAUMONT*** *- There was no requirement to discuss that with the Treasurer. We did discuss that with TASCORP, which was our lender at the time, because it's either characterised as debt or it's not, depending on what fragment we're talking about in what context. So, the student accommodation transaction is something that's common across the university sector. Essentially, it is treated as a concessional asset. We find a partner, we always own the student accommodation, we retain it for the 40-year time frame, we get a significant cash upfront amount, and then we are effectively selling the repayments to a partner. It's a model that's common within the higher education sector.*
>
> ***CHAIR*** *- So, TASCORP's view that it shouldn't be called a borrowing or debt, then, is that what you're saying?*
>
> ***Ms BEAUMONT****- I know that we engage with TASCORP about the treatment of the concessional asset.*

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[92] See Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024, Parliament of Australia, https://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/Bills_Search_Results/Result?bId=r7191 [Accessed 10 January 2025]
[93] See Attachment E, p.1
[94] See UTAS2 Purpose Built Student Accommodation, Tetris Capital, https://www.tetriscapital.com/utas2-purpose-built-student-accom [Accessed 9 Jan 2025]

Mr BARLING *- In terms of the financial statements, the accounting was required to be classified as debt, as far as the accounting standards are concerned. From the condition of borrowings - are you actually borrowing money from somebody - it wasn't included within the State Government's consideration. It is, by some other agencies like our Moody's rating agency, they do take it into account and they consider how our balance sheet operates.*[95]

Mr Barling and Ms Beaumont provided an explanation as to why UTAS entered into such a financial arrangement and how it is treated on the University's balance sheet:

Mr BARLING *- To bring it back to 'why did we do that?' .... This is part of the challenge we have as a university in being able to replenish our assets. We don't generate enough surplus to be able to do it ourselves. We've had to enter into innovative and commercial ventures to try to help us get the asset replenishment we need.*

You may remember there was a massive housing crisis. We had a crisis getting our students into housing back in the late teens. In consideration of that pain, the University undertook to try to work out how we could build more beds. This deal that we struck … is what delivered us an extra 400 plus beds in Hobart city. They basically built that facility on our land for us. We contributed a little bit to it, but their contribution was the vast majority.

As we look at these types of arrangements, it's in the context of us as a university trying to make sure we can make the investments in what our students need, in what Tasmania needs, to be able to deliver on it. The accounting standard treatment is something that we could talk about for a long time, I suspect. That is what they require for us to put on our balance sheet.

CHAIR *- 'They' being?*

Mr BARLING *- The accounting standards. That's what governs how that item is calculated.*

CHAIR *- I noted in the Government's reporting of the whole-of-Government radio network that that is included as a liability in the net debt calculation for the State. So, it applies differently to UTAS, is that what you're telling me?*

Mr BARLING *- My understanding, … is that our debt is only included on the State's balance sheet if it's taken with TASCORP.*

Ms BEAUMONT *- That's correct, yes. So, when we borrowed with TASCORP, we were part of the consolidated budget for the Tasmanian Government. But, other than borrowing with TASCORP, there is no impact on the State Government budget or balance sheet.*

[95] See Transcript of evidence, Public Hearings (22 August 2024), p.17

__Mr BARLING__ - So, the State Government - as I understand it - balance sheet doesn't include the green bond amount, because that's not with TASCORP.[96]

Further information with regards the financial treatment of UTAS' student accommodation arrangements is provided under Attachment C (pages 7-11). Attachment E (pages 7-9) provides details on the PBSA and the GST exemptions applicable to the student accommodation.

Committee Findings

F7. UTAS' 2023 financial overview highlighted a challenging economic environment, with stable domestic student revenue but volatility in international student numbers.

F8. Inflationary pressures have increased operating and capital costs, impacting financial performance.

F9. International students were the main driver of growth and improvement in UTAS' financial position from 2014 – 2019.

F10. International UTAS student numbers declined following a peak in 2019 as a result of COVID-19 (including an estimated $189 million negative impact from COVID-19 on operating costs) and migration policy changes in Australia and China.

F11. UTAS' reliance on international student revenue for cross-subsidisation of research and capital investments may become unsustainable in the long-term, particularly in light of proposed Australian Government policy related to international students.

F12. In dropping from EL2-rated to EL3-rated university, UTAS is working to diversify its international student demographics to reduce the risk of over-reliance on students from any one country.

F13. UTAS claims it is implementing adjustments to return to profitability in 2024, following successive years of external financial shocks.

F14. Despite financial challenges, UTAS states it has sufficient cash flow and investment reserves to meet commitments but requires external funding for capital asset replenishment.

F15. UTAS has a significant real estate portfolio and ongoing capital projects, including the transition of parts of its southern campus to the Hobart CBD and redevelopment of a STEM facility at Sandy Bay campus.

F16. Despite UTAS' assertion that it has managed capital projects within 5% of approved budgets, rising construction costs and shifting project scopes have created financial strain.

F17. UTAS has maintained an approved borrowing limit of $400 million and acknowledges the need for careful management of debt.

[96] See Transcript of evidence, Public Hearings (22 August 2024), p.18

F18. UTAS has set an objective to fully cover research costs through external funding, aligning with national policy directions, however, current research income structures continue to require substantial internal cross-subsidisation.

F19. UTAS' philanthropic income remains limited, averaging $7.56 million annually.

F20. UTAS state a $40-60 million estimated net cost subsidy is required to operate and deliver teaching, learning and research to Northern Inveresk and North West Cradle Coast Campuses.

F21. UTAS is currently the fourth biggest online operator of university courses in Australia.

F22. 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.

F23. 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.

F24. UTAS has experienced a change in student profile, including a larger number of mature aged students, part time students and online students.

F25. The increase in part-time students has increase the per student cost, adding to the financial challenges facing UTAS.

F26. UTAS has outlined significant capital expenditure commitments, particularly the needs for STEM facility upgrades, but 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.

F27. Government funding has played a critical role in past capital projects, but no additional government funding has been secured for future investments in STEM.

F28. 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.

F29. UTAS claim approximately $500 million will be required to build new and/or retrofit existing buildings at the Sandy Bay Campus, below Churchill Avenue: this cost would be very similar for either a complete new building or a partial new build and retrofit of some existing buildings.

F30. If UTAS does not continue to replenish capital assets to contemporary standards, it will continue to face pressure from other universities for student recruitment and retention, directly impacting its future revenues and sustainability.

F31. UTAS has undertaken renewal of parts of the existing STEM facilities over time including Medical Sciences, IMAS facilities at Salamanca and Taroona.

F32. UTAS claim there is an annual cost of $30 million to sustain and maintain capital assets.

F33. UTAS staffing levels have reduced (a greater proportion being professional staff rather than academic staff in the 2023 restructure), reflecting deliberate cost containment measures amid declining student enrolments, with projected staffing levels remaining conservative.

F34. Pre-COVID-19 pandemic, UTAS purchased properties including hotels in the Hobart CBD to assist in accommodating students predominantly during a period with high demand for housing and high international student numbers: these were disposed of following completion of purpose-built student accommodation.

F35. The revised financial outlook through 2050 includes planned refinancing of UTAS' Green Bonds due to the impact of COVID-19 and anticipated revenue shortfalls due to the lack of financial return from the Sandy Bay Campus.

F36. UTAS has faced delays in realising asset value from the Newnham campus in Launceston due to the Government-imposed land covenants which requires a fee simple process, which is to be finalised by the State Government by 30 June 2025.

F37. The Australian Government Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024, passed the House of Representatives with amendments in August 2024, but has not been passed by the Senate.

F38. The Moody's Rating Credit Opinion for UTAS (August 2024) amended its outlook from 'stable' to 'negative,' reflecting the University's financial risks.

Committee Recommendations

R2. Recognising the need of regional universities, the Tasmanian Government advocates on behalf of UTAS to the Australian Government to:

a. provide stable and equitable per-student funding, and
b. clarify and influence international student policy settings, advocating for quotas and migration policy settings.

University of Tasmania (Protection of Land) Bill 2024 (31 of 2024)

The following evidence relates to the University of Tasmania (Protection of Land) Bill 2024 (the Bill) as introduced to Parliament prior to being amended by the Government in November 2024.

According to the factsheet, the Bill gives effect to the Government's commitment to introduce legislation to amend the *University of Tasmania Act 1992* to require that the land at Sandy Bay currently held by the University of Tasmania, and gifted to the University in 1951 for education, cannot be disposed of except with the explicit support of both Houses, preventing UTAS from unilaterally disposing it.[97]

At the public hearings, Minister Palmer gave the Government's view as to the need for the proposed legislation:

> ***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 parts 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*

[97] See 'Fact sheet', University of Tasmania (Protection of Land) Bill 2024 (31 of 2024), https://www.parliament.tas.gov.au/__data/assets/pdf_file/0021/83046/31_of_2024-Fact-Sheet.pdf, p.1.

domain, 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 …*

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. …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.*
…
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.[98]

At the public hearings, Professor Black provided a view should the Bill pass Parliament:

MR WILLIE *- … There's a bill before Parliament that would effectively freeze your assets and make it less likely that an investor would want to get involved when it's subject to approval to Parliament. Would it be your expectation that the State Government would contribute more if that bill is passed?*

Prof BLACK *- I think the challenge for the State is, we're well aware of the State's challenging finances. Where are the funds going to come from for a State level contribution to ensure those facilities happen? Now, we have obviously expressed some thoughts about how Sandy Bay could evolve particularly the areas above Churchill Avenue which are … a very expansive set of areas there, which would be highly suitable and indeed mapped under the current draft of the Hobart City Council's precinct neighbourhood plan for Sandy Bay, maps that has opportunity for housing which is obviously much needed in Hobart which isn't the core of the University at all. The opportunity to realise value as part of that process would be one way that at a State level a contribution could be made, given how relatively challenged the State is to provide support.*

MR WILLIE *- … if the State Government and the Parliament stays out of the way, your expectation would be that the State Government makes less of a contribution?*

Prof BLACK *- The University will be able to make a much more substantial contribution and universities around the world have always used their land. In fact, in America, they even call them land grant universities, where the way in which states were able to provide assets to universities to actually fulfil their long-term mission was to buy the land that they had. Universities utilising their land to ensure that they can fulfil these vital missions they have for their communities is a normal thing everywhere around the world. There's nothing exceptional about it. Obviously, it needs to occur in terms of appropriate process and planning and the [Hobart] City Council has been setting out actually to provide a planning framework for that to occur, which obviously we're very keen to work within planning frameworks that are provided for the evolution of Hobart.*

MR WILLIE *- It's going to be very difficult to achieve funding at a Federal level under the former coalition Government, you requested. I think it was about $240 million for STEM that still hasn't been granted, so it's a challenging environment to achieve funding. If you have a State Government making it more difficult, you would expect them to contribute more to the project.*

[98] See Transcript of evidence, Public Hearings (18 September 2024), p.6-8.

> ***Prof BLACK*** *- Well, if Tasmania wants STEM facilities, somebody needs to contribute. And you know, we would welcome the State Government making a sizeable contribution to it because it's critical to Tasmania's future* [99]

An amendment to the Bill proposed on 28 November 2024 by Minister Ogilvie is described and the amendment is included below. The amended bill is yet to be debated in the Legislative Council:

> ***Ms OGILVIE*** *- I move amendments to the bill. Let me say that these amendments have been drafted following ongoing engagement with the university. Since the introduction of the bill in the House, the University of Tasmania has been engaged in dialogue with government with respect to their business case and proposed amendments needed to realise a STEM-led future on site at Sandy Bay.*
>
> *The Commonwealth's funding of this project which, alongside UTAS, we will advocate for is predicated on a co-investment by UTAS into the project. The amendments, which you have already received, seek to assist the university to achieve the funds required through a carve-out of its land above Churchill Avenue from the current bill. This therefore means UTAS will not be required to bring any disposal of this or these parcels of land through parliament as would be required in an unamended bill.* [100]

The amendments moved and supported by the House of Assembly read as follows:

New Clause A
To follow clause 6.

A. Rezoning of certain land

(1) In this section –

"applicable planning scheme" means the planning scheme, within the meaning of the *Land Use Planning and Approvals Act 1993*, that applies to the registered area;

"Commission" has the same meaning as in the *Land Use Planning and Approvals Act 1993*;

"Planning Minister" means the Minister to whom the administration of the *Land Use Planning Approvals Act 1993* is assigned;

"proposed area" means the areas of land specified in Schedule A that are owned by the University on the commencement day;

"registered area" means the area of land identified in the plan registered in the Central Plan Register in accordance with subsection (2).

[99] See Transcript of evidence, Public Hearings (22 August 2024), p.6-7

[100] See Tasmanian House of Assembly Hansard, Thursday 28 November 2024, https://search.parliament.tas.gov.au/search/search/, p.116-17

(2) On the day on which this Act receives the Royal Assent, the Planning Minister is to cause a plan, in respect of the proposed area, to be prepared and registered in the Central Plan Register.

(3) As soon as practicable after the day on which the plan is registered in the Central Plan Register in accordance with subsection (2), the Planning Minister, by notice in writing to the Commission, is to direct the Commission to amend the applicable planning scheme, including any maps or plans relating to the applicable planning scheme, to reflect the change in zoning of the registered area.

(4) On the day on which the Planning Minister gives the Commission a direction under subsection (3), the registered area –

(a) is declared to be zoned Inner Residential, within the meaning of the applicable planning scheme; and

(b) ceases to be within the Particular Purpose Zone 3 – University of Tasmania (Sandy Bay Campus), within the meaning of the applicable planning scheme.

(5) Within 14 days after the Commission is given a direction under subsection (3) in relation to the registered area, or such longer period as specified in the direction, the Commission must amend the applicable planning scheme, including any maps or plans relating to the applicable planning scheme, to reflect the change in zoning of the registered area.

(6) The Commission is to notify the Planning Minister of the amendment of the applicable planning scheme, in accordance with this section, as soon as practicable after the amendment has been made.

(7) Despite any provisions of the *Land Use Planning and Approvals Act 1993* and the applicable planning scheme –

(a) the amendment of the applicable planning scheme under this section is not to be invalid by reason only that –

(i) the amendment has not occurred in the manner or following the procedure that, but for this section, would have been required to be followed under the applicable planning scheme or the *Land Use Planning and Approvals Act 1993*; or

(ii) but for this section, the amendment of the applicable planning scheme would be in contravention of that Act; and

(b) a use or development of the registered area that is in accordance with the applicable planning scheme, as amended, is not to be taken to be in contravention of section 63 of the Land Use Planning and Approvals Act 1993.

(8) Nothing in this section prevents the future amendment of the applicable planning scheme in relation to the registered area.

Committee Findings

F39. The University of Tasmania (Protection of Land) Bill 2024:

a. was tabled in the House of Assembly on 20 June 2024

b. was debated and amended in Committee on 28 November 2024, and

c. the amended Bill was introduced to the Legislative Council on 11 March 2025, and has not yet been debated.

F40. The original University of Tasmania (Protection of Land) Bill 2024 proposed any disposal of UTAS land owned at the Sandy Bay Campus would require the approval of both houses of Parliament.

F41. Minister Ogilvie successfully proposed an amendment to The University of Tasmania (Protection of Land) Bill 2024 in response to ongoing engagement with UTAS, which rezoned and enabled the disposal of the land above Churchill Avenue, Sandy Bay unencumbered: this amendment does not apply to UTAS land below Churchill Avenue which will require the approval of both houses of Parliament to be disposed of, if the amended bill is passed by the Legislative Council.

Summary of Attachments

Attachment A	UTAS Financial Position Inquiry Presentation (22 August 2024)
Attachment B	UTAS Financial Position Inquiry Presentation (2 October 2024)
Attachment C	UTAS response to Questions on Notice (13 September 2024)
Attachment D	Copy of Moody's Ratings – Credit Opinion of UTAS (5 August 2024)
Attachment E	UTAS response to Questions on Notice (25 October 2024)
Attachment F	Letter from Hon Peter Gutwein MP (Premier and Treasurer) to UTAS (dated 3 March 2021) - Southern Infrastructure Project Borrowing Limit Increase[101]
Attachment G	UTAS Green Bond Framework 2022[102]
Attachment H	Pricing Supplement (2042 Notes) (Redacted)
Attachment I	Pricing Supplement (2032 Notes) (Redacted)
Attachment J	Issue Notice (2042 Notes) (Redacted)
Attachment K	Issue Notice (2032 Notes) (Redacted)
Attachment L	Information Memorandum (2022) (Redacted)
Attachment M	Closing Certificate (Redacted)
Attachment N	Letter from Hon Eric Abetz MP (Minister for Business, Industry and Resources) to UTAS (dated 19 September 2024) re Newnham land redevelopment
Attachment O	Letter from Professor Rufus Black (Vice-Chancellor) to Chair (dated 14 March 2025) re Newnham land redevelopment
Attachment P	Letter from Hon Eric Abetz MP (Minister for Business, Industry and Resources) to Secretary (dated 14 March 2025) re Newnham land redevelopment

Attachment	Question on Notice	Page
C	Supplementary: Information on Visa Processing and Evidence Level ratings	1-2
	How many student visa refusals has UTAS had in the past two years (i.e., comparing UTAS dropping from the EL2 to EL3 rating)?	3-6
	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)	6
	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)	7-11 (See also Attachments F to M)
	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.)	12
	A breakdown of the categories of staff under the non-academic banner (e.g., managerial, administrative etc.)	13-14

[101] This is an extract from the Department of Treasury and Finance Right to Information Disclosure Log (page 178 of 207): see https://www.treasury.tas.gov.au/Documents/Information%20for%20release%20-%20RTI%20Review%20-%20UTAS.PDF

[102] The University has published information relating to the Green Bonds project through the University's Right to Information Disclosure Log (dated 22 December 2023): see 'Conflict of Interest register for University Council members and Information relating to the Green Bonds project', https://www.utas.edu.au/about/governance-leadership-and-strategy/public-reporting/right-to-information

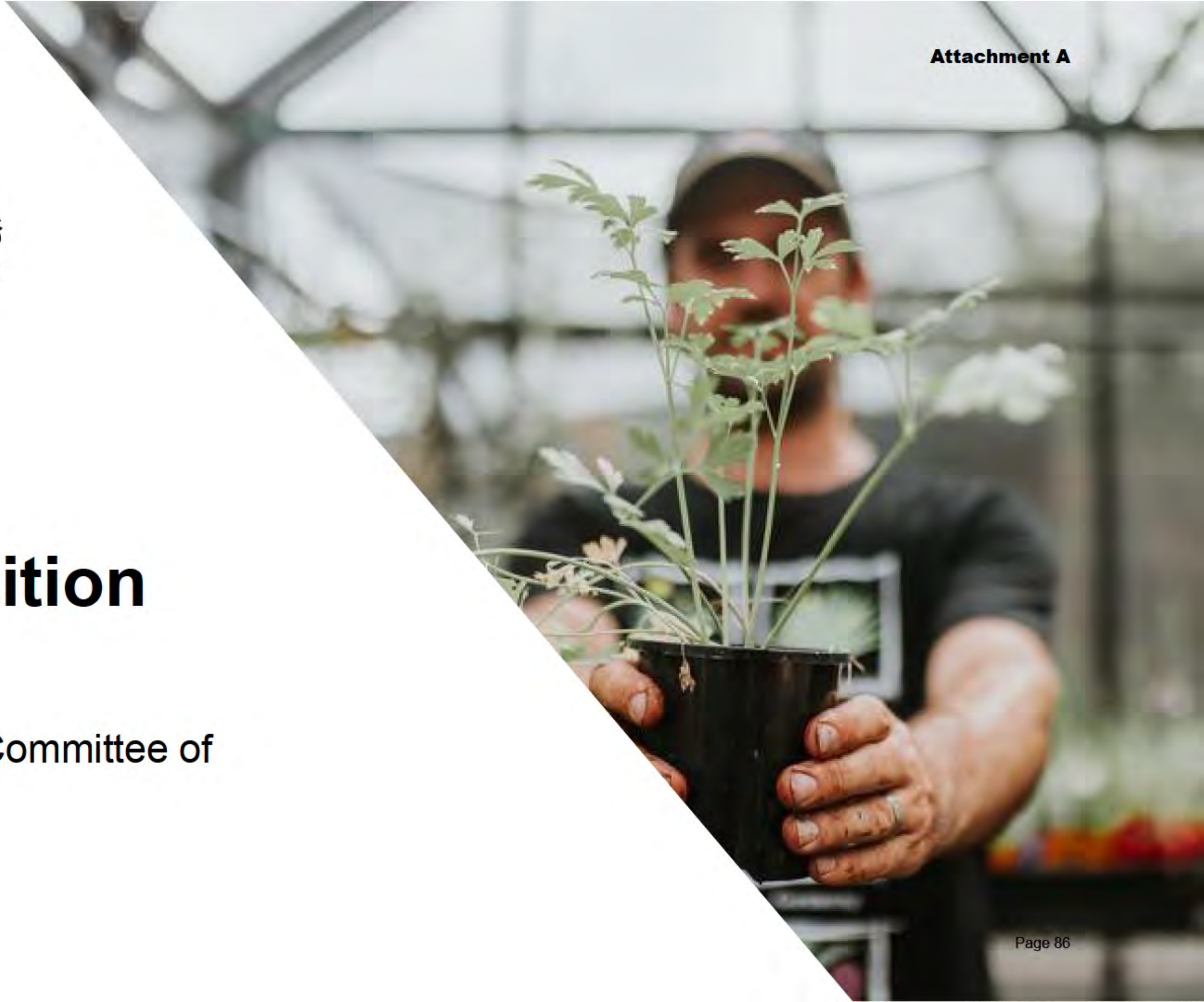
Attachment	Question on Notice	Page
	The composition of UTAS staff (i.e., academic vs non-academic over the past 10 years) and where UTAS sees the projected balance into the future.	15
	The ratio of full-time equivalent staff to full-time equivalent students over the past 10 years	16-19
C	The retention 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	20-21
	Trend data on the number of on-line students studying at UTAS over time	22-23
	Any data on potential students who leave Tasmania to study elsewhere and subsequently come back to UTAS	24-25
	A copy of the Moody's credit rating report mentioned in the hearing	26 (See also Attachment D)
E	Student numbers over the last 10 years by physical presence, source, type of study and school	3
	Cross subsidisation and costs of delivering services to Burnie and Launceston	3-4
	What are the costs involved in UTAS' research activities and to what extent, if at all, are research activities cross subsidized	4
	Please provide a breakdown of UTAS' non-capital projected expenditure for the years 2024 to 2026 related to the relocation of the southern campus to the Hobart CBD and redevelopment of its Sandy Bay campus	4-5
	Please provide year by year income and expenditure figures for UTAS' Rozelle campus and UTAS' learning centres in Melbourne and China from commencement of operations to 2023 and projections for 2024 to 2026 including any relevant commentary	5
	What plans does UTAS have to repay the $280m tranche of Green Bonds that we understand needs to be redeemed in just over seven years in March 2032?	6
	How much of the IMAS Taroona spending is committed for the 2026 year?	6
	Do the figures in Slide 42 include the acquisition costs of the properties developed?	6
	Slide 38 indicates there was no further government funding available to continue capital projects. Did UTAS ask for a limit greater than $400m?	6
	Please provide an explanation as to how the approved borrowing limit requires reductions over time consistent with the maturity profile	7
	Purpose Built Student Accommodation (PBSA)	7-9
	With regard to tax exemptions does UTAS' exemption from income tax extend to profits from all its operations, what exemptions from GST apply to UTAS, does the exemption to pay general rates apply to all UTAS properties, and if not, which properties are not exempt, and does the exemption apply to land and buildings leased to third parties, does any exemption to pay land tax apply to all UTAS properties and if not, which properties are not exempt and does the exemption apply to land and buildings leased to third parties?	9
	Regarding research funding and philanthropic income and the performance of other Australian universities	10

UNIVERSITY of TASMANIA

Financial Position Inquiry

Parliamentary Standing Committee of Public Accounts

22 August 2024



Acknowledgement of Country

We acknowledge the palawa/pakana of lutruwita, the traditional owners of the land upon which we live and work.

We pay respects to Elders past and present as the knowledge holders and sharers. We honour their strong culture and knowledges as vital to the self-determination, wellbeing and resilience of their communities.

We stand for a future that profoundly respects and acknowledges Aboriginal perspectives, culture, language and history.

Australian higher education is going through the largest change since the early 1990s as it transitions from an era of rapid market driven growth to a **managed system with at best low domestic and international growth** in the near term

We are a university with a **broad mission** across teaching, research and regional delivery for Tasmania, which is a high-cost task in the context of how the sector is funded

These pressures require a **delicate balancing act** to deliver our mission, look after staff and students, and manage our finances. That has meant we cannot generate enough surplus to replenish our assets from our operating funds without compromising our mission

To date we have **replenished our assets with government assistance, innovative finance and the prudent use of debt** overseen by good governance. The current low growth and funding settings means none of those strategies are available to us for further capital replenishment

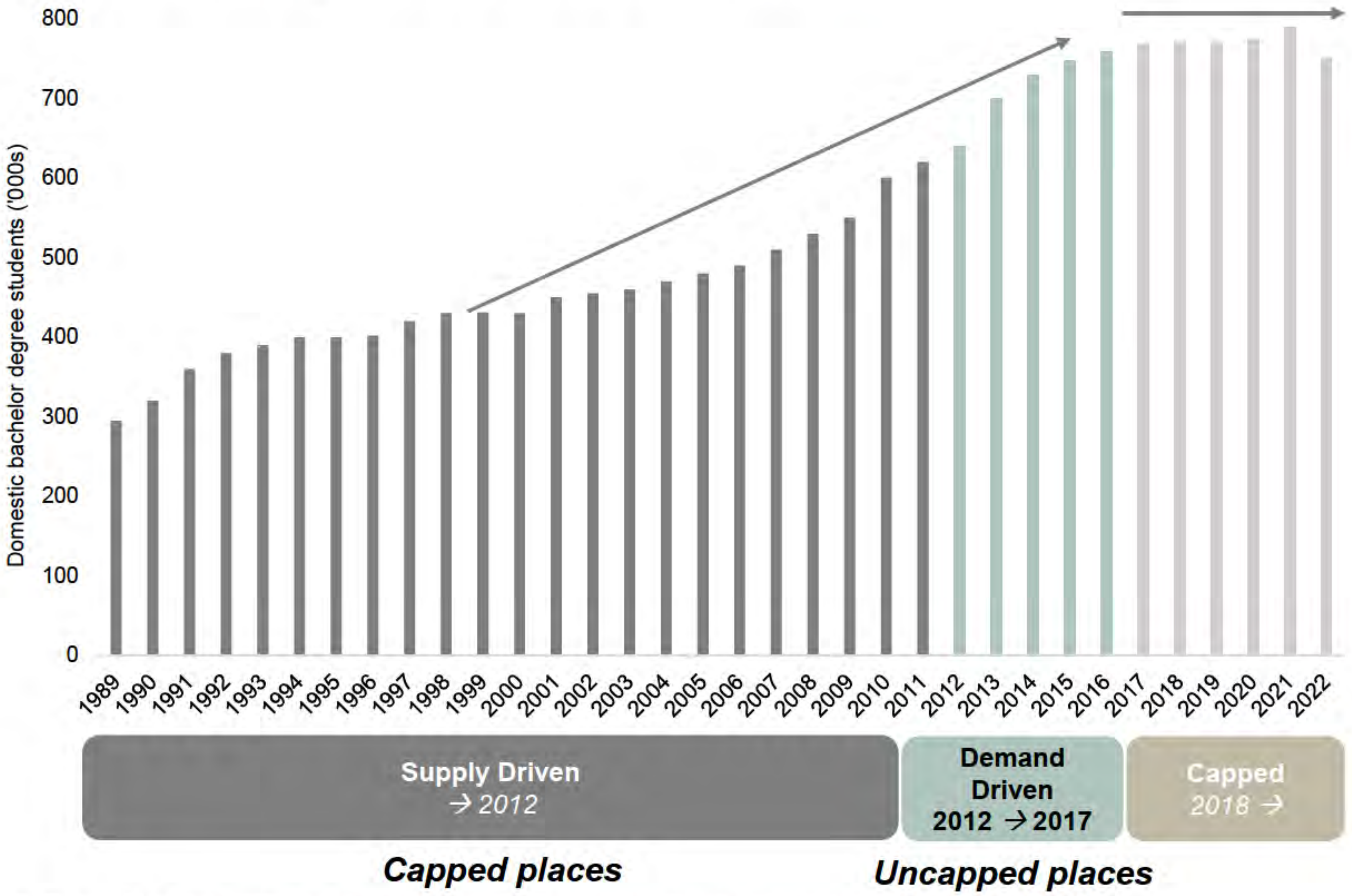
To be a sustainable university delivering the higher education Tasmania needs, **three things are required**: the proposed policy settings in the Accord and Migration Review are supported and Government assistance and unencumbered assets for STEM

From the late 1980s until today, Australia has moved from an elite to a mass higher education system

	1960s	1980s	2000s	2020s
Education System	Elite System		Mass Higher Education System	
Policy	Menzies and Whitlam	Dawkins 87-91	Bradley 08	
Demand - Economic needs are changing				
% jobs requiring bachelors or higher	16%	19%	26%	32%
Outcomes - Changing who and how people are studying				
Number of students in higher education	47,000	271,000	464,000	775,000
Average size of an Australian University (# of students)	7,600	9,000	18,500	37,700
% of domestic students studying on-line			16%	31%
% students that are international		4%	14%	31%

These policy settings drove the rapid growth of domestic students until the government introduced a cap

There was a rapid growth in total numbers of students



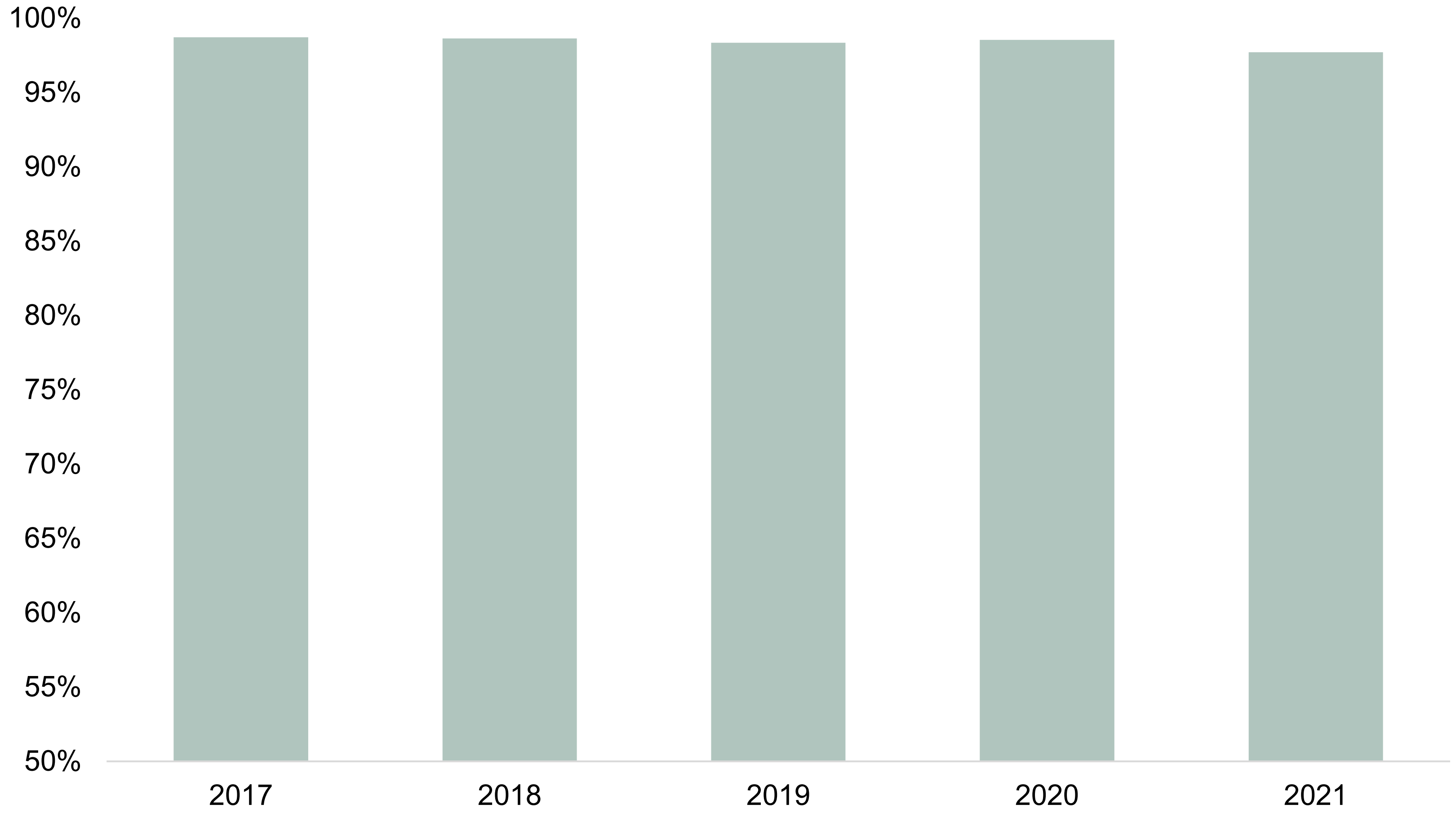
and a significant increase in equity cohorts

- Enrolments of undergraduate students from **low socio-economic background (low SES) rose 55%**
- Indigenous undergraduate student enrolments **more than doubled**
- Enrolments of undergraduate students with a disability **increased by 123%**
- Enrolments of students from regional and remote areas **increased by 50%**

Further reading: https://grattan.edu.au/news/why-australia-should-revert-to-demand-driven-funding-of-universities/

Even if there weren’t caps there is little or no latent demand left because a very high percentage of all students who apply to university get a place these days

National undergraduate offer rates for Year 12 applicants with ATAR of 70 or above



Downward pressure on student numbers

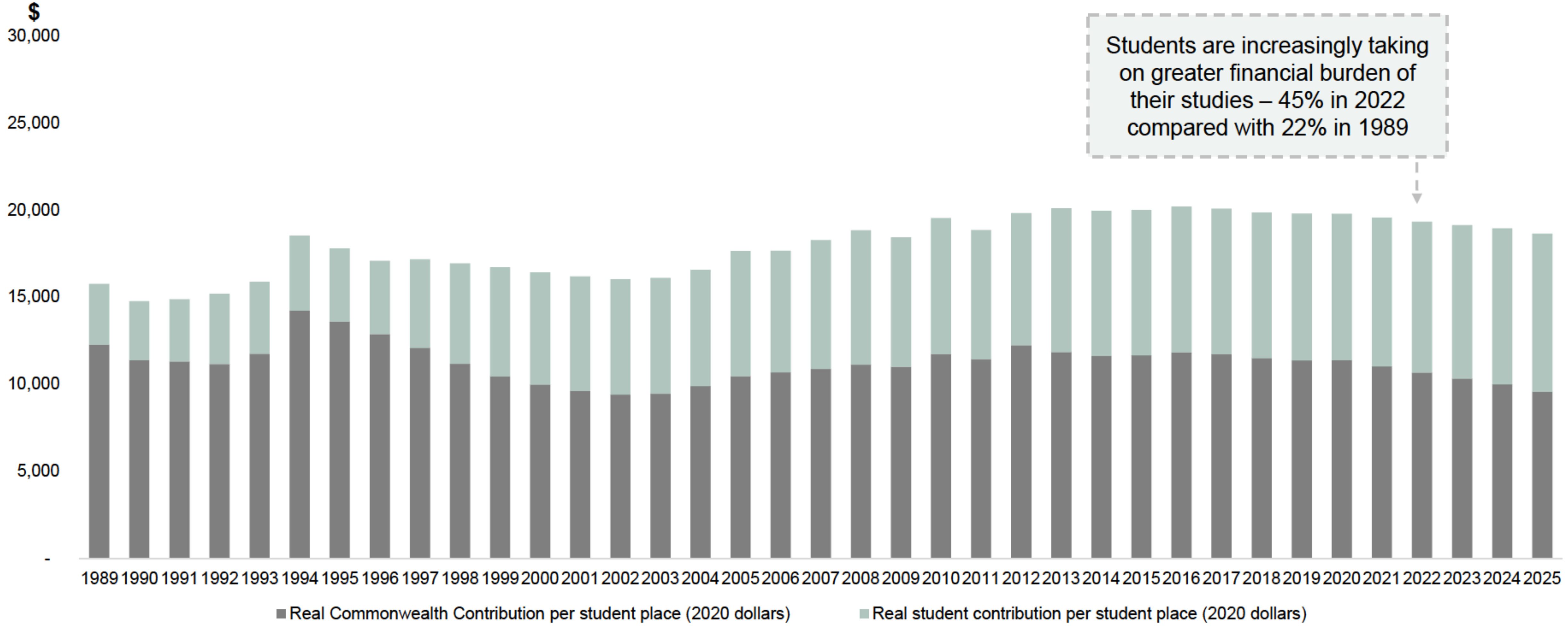
Since 2018 nationwide school completion rates have fallen significant in inner and outer regional areas nationwide and only held steady in the large cities

A close to full employment economy and skill shortages in trades has provided a compelling alternative to higher education for many

Source: Department Higher Education Applications Higher Education Statistics, Undergraduate Applications, Offers and Acceptances and University of Tasmania Domestic Applications data. University of Tasmania data for 2024 as at ISO week 33.

With this growth came reductions in the amount of funding provided per student with students taking on more of the cost of study

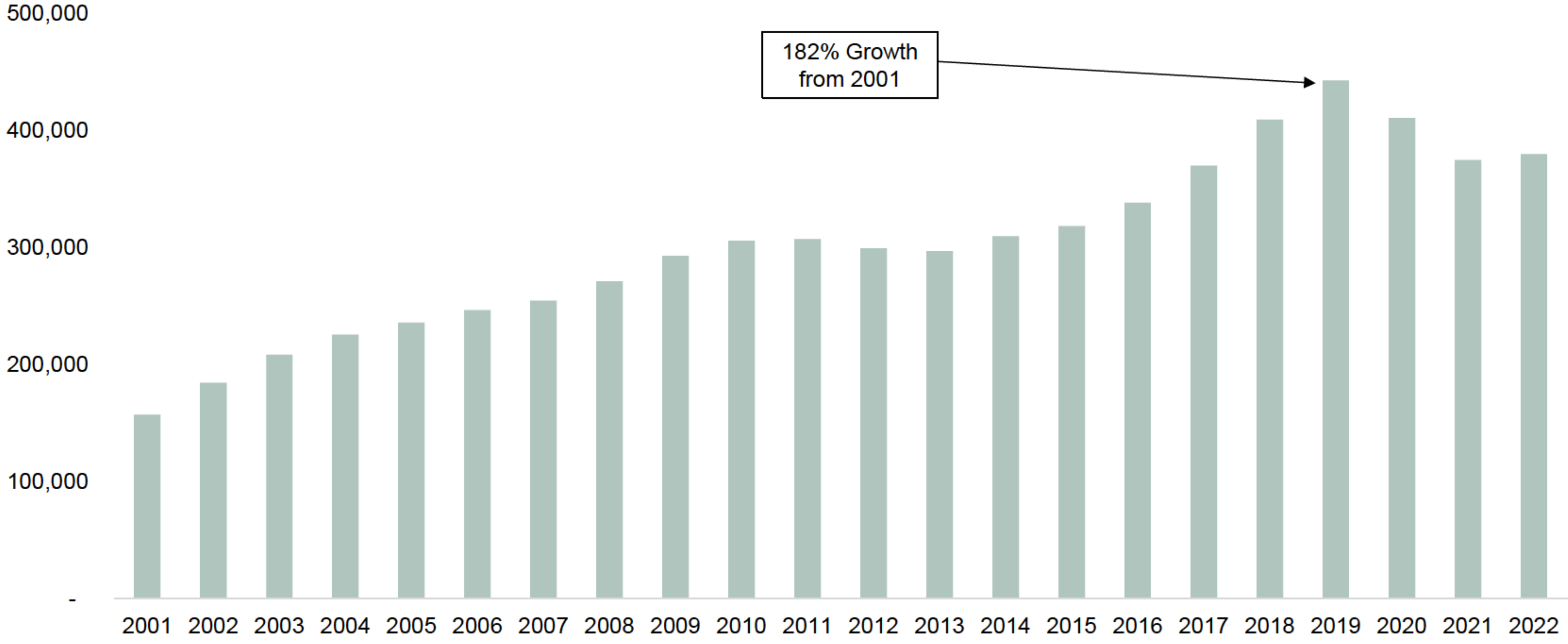
Australian real government and student contributions, 1989 – 2025 per EFTSL (Equivalent Full-Time Student Load)



Source: Data from 1989 to 2015 are from UA communications with Department of Education, Skills and Employment (DESE) following the May 2016 Budget. Data for 2016 to 2018 are from Higher Education Support Act (HESA) determinations.
https://www.universitiesaustralia.edu.au/wp-content/uploads/2020/11/200917-HE-Facts-and-Figures-2020.pdf
https://www.education.gov.au/higher-education-publications/resources/2019-transparency-higher-education-expenditure-publication

To cover these increased costs and to fund increased research international student numbers grew significantly over the last 2 decades until very recently

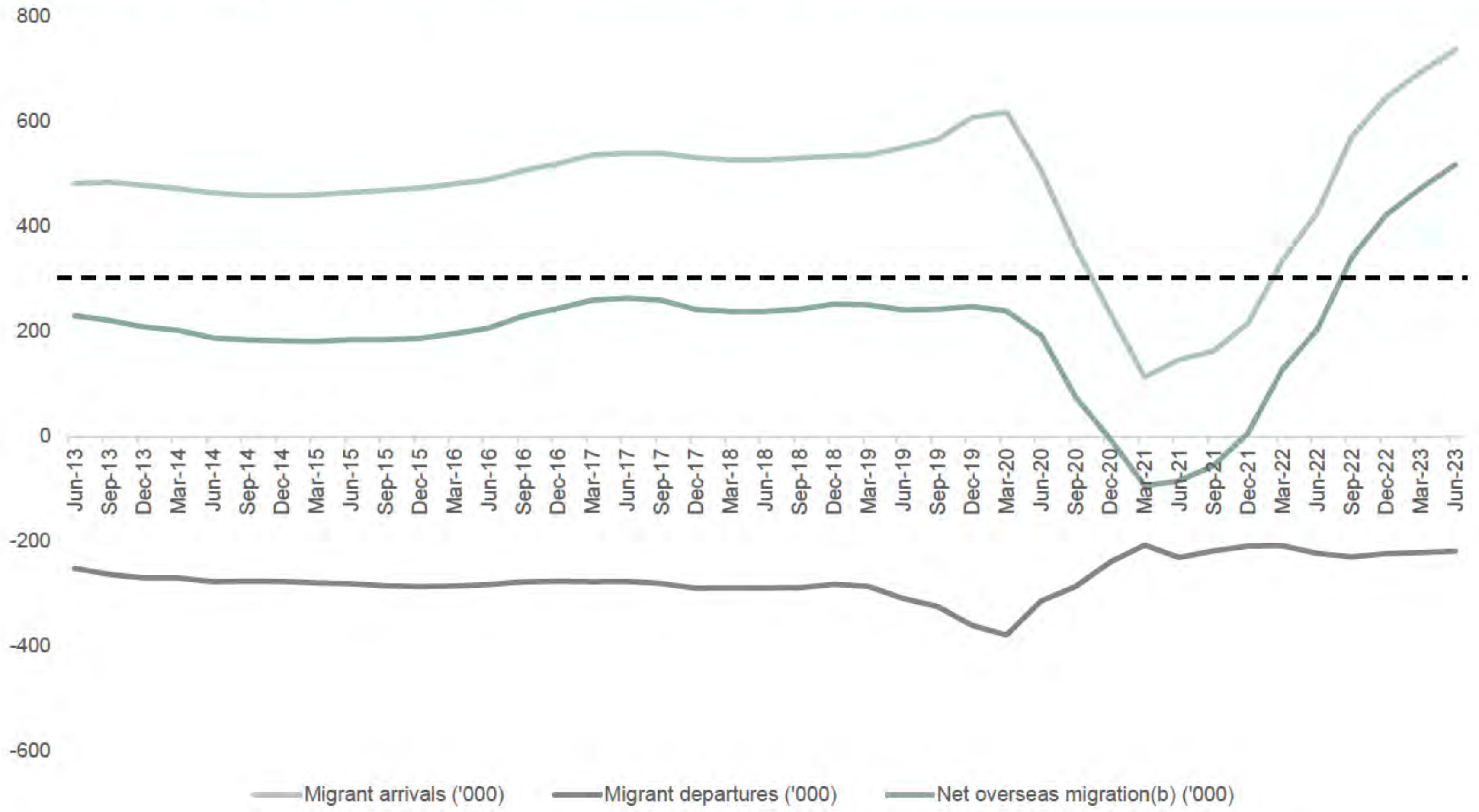
International Student Course Enrolments, 2001 – 2022 for all Public Universities



uCube – Higher Education Data Cube, Department of Education, 2001 – 2019.
Selected Higher Education Statistics 2022 Student Data, Student Enrolments Pivot Table.

However, COVID dramatically reduced international student numbers. They then rebounded nationally, which has led government to need to control them but also to address the two-tier system which has emerged

Net overseas migration for Australia 2013-2023 (‘000s)



A two-speed system emerged

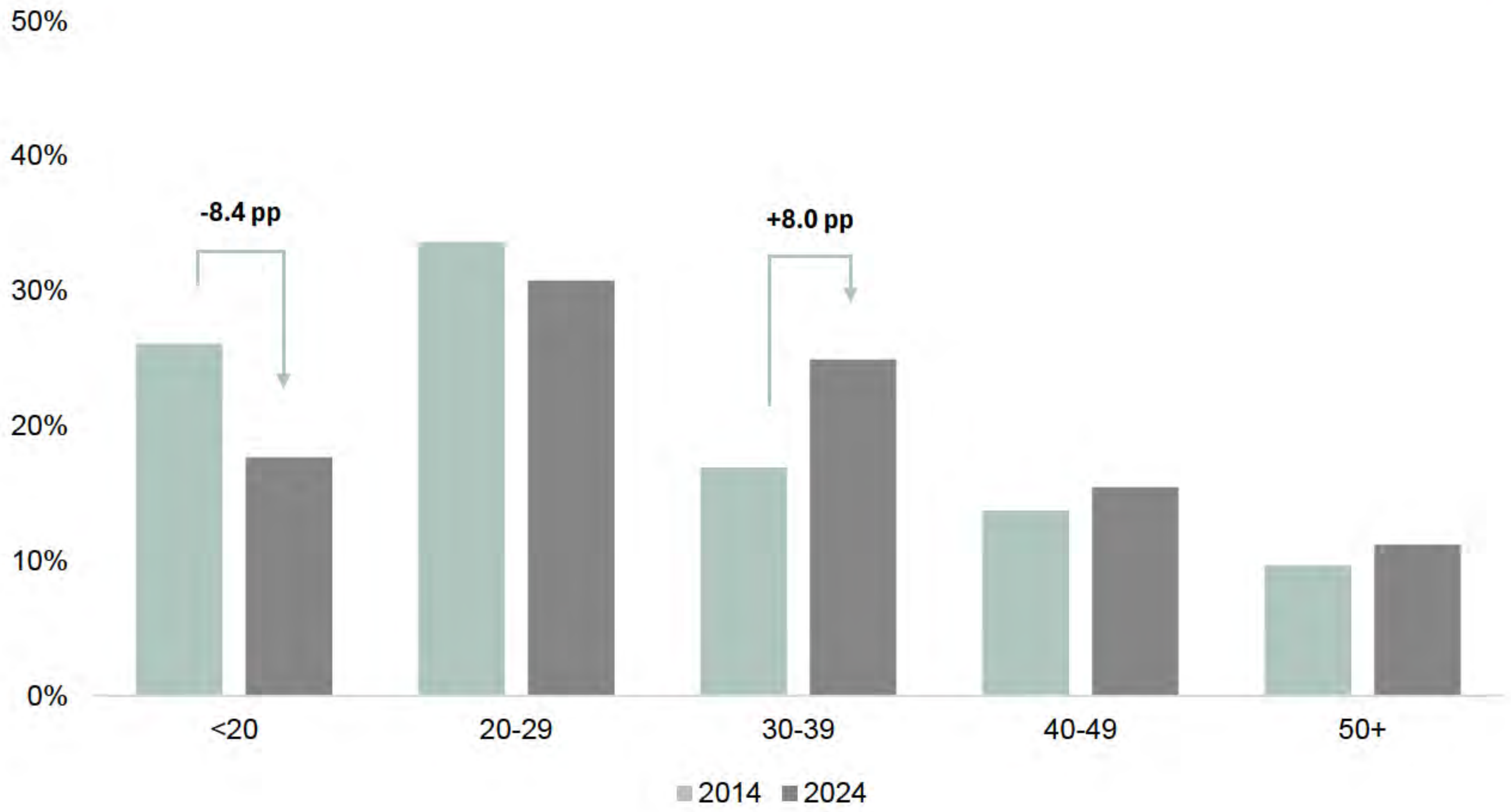
- G5 universities were at advantage from Chinese and Australian policy
- Other universities were disadvantaged
- The late 2023 visa policy changes dramatically reinforced the two-speed system

Page 94

Overseas Migration, 2022-23 financial year | Australian Bureau of Statistics (abs.gov.au)

As funding per student decreased, we also saw student needs change, requiring more flexibility, which has increased complexity and cost

Domestic Commencing Students by age group (2014 vs 2024)

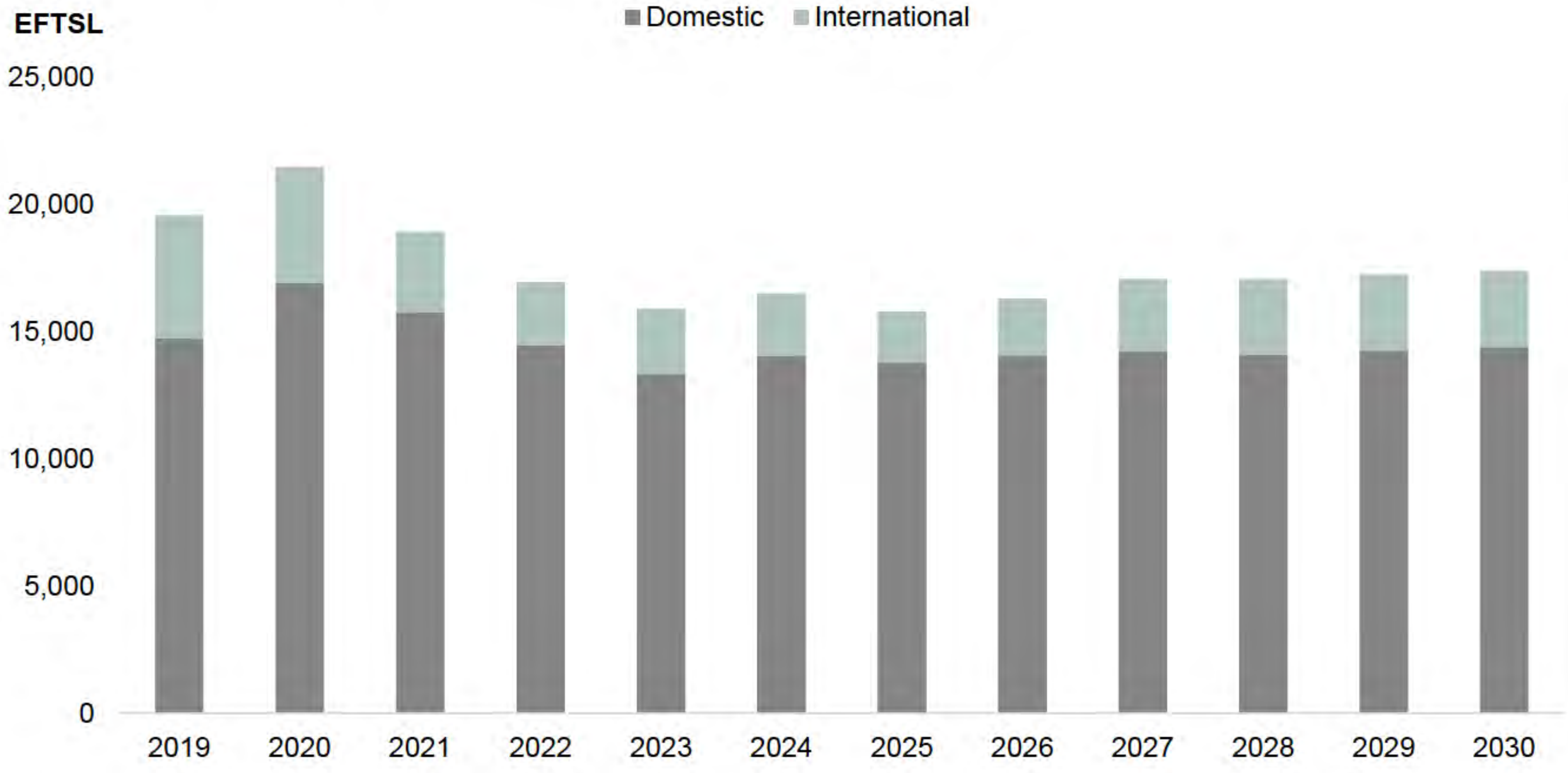


- Average age now >30
- >75% domestic commencing students are online
- Average load/student decreased from 0.64 to 0.55
- Our online maintenance = $25m per year
- Our campus maintenance = $15m per year

Source: UTAS_MODEL_COURSE_ENROL_MV; ISO_WEEK 30

Looking ahead we face a very different higher education environment with capped domestic and international student numbers at lower levels than the past but with higher costs to teach

Student numbers through to 2030 if domestic numbers are at approximately today's level and international student numbers are capped at 2019 levels



The Accord will redistribute rather than grow funding through to 2030

- Needs based and regional funding will help to better align funding with cost of teaching, but it will largely redistribute existing funding
- The University of Tasmania already receives higher per student funding because of the Higher Education Continuity Guarantee so while funding will be more secure, it won't increase significantly

UNIVERSITY of TASMANIA

Questions

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To be a sustainable university delivering the higher education Tasmania needs, **three things are required**: the proposed policy settings in the Accord and Migration Review are supported and Government assistance and unencumbered assets for STEM

As the only university in Tasmania, we need to be able to offer what several universities would provide in other states

Serving Tasmania

BREADTH OF COURSES

Meeting Tasmanian skill and job needs whilst also offering flexible options to foster increased **access, participation and success**

RESEARCH

Improving our island's future through growing our **strong base of research excellence,** focussed around creating impact

REGIONAL DELIVERY

Maintaining a significant presence across Tasmania and creating new campuses that support **access, differentiation, impact** and highly efficient operations

The current funding model is based on the cost of teaching students in an average large metropolitan university.

It does not cover the costs of the uniquely Tasmanian activities nor extra costs of high numbers of equity students.

As one university for all Tasmanians, we offer a wide and varied curriculum to cover the jobs and skills needs of Tasmania which is very costly

We offered 323 courses in 2024, with two thirds of our students enrolled in just 30 of these

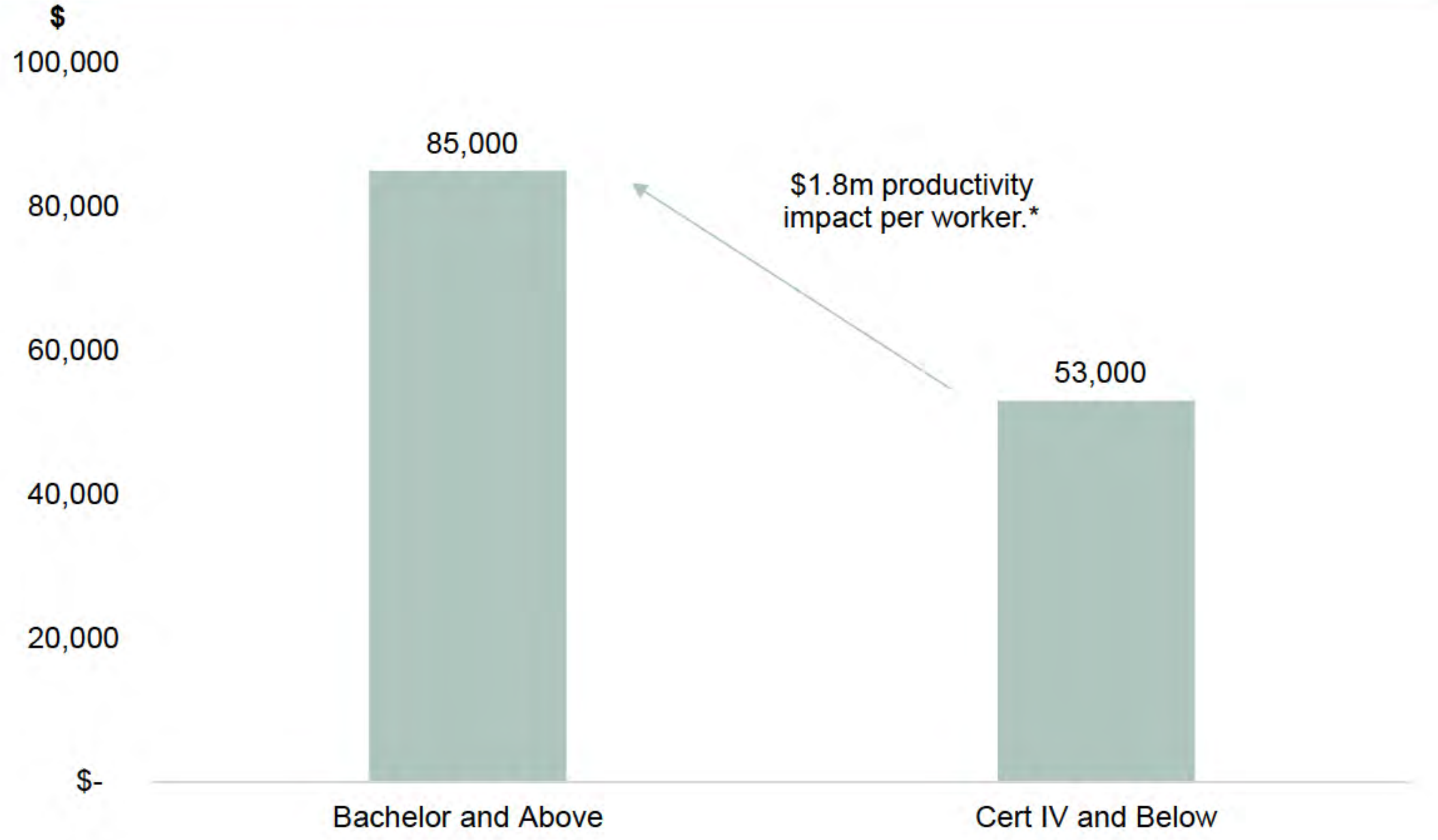
HIGH VOLUME
Bachelor of Nursing
1,671 EFTSL
Bachelor of Education (Primary)
499 EFTSL

MEDIUM VOLUME
Bachelor of Social Work
183 EFTSL
Bachelor of Laws
107 EFTSL

LOW VOLUME
Bachelor of Surveying
18 EFTSL
Bachelor of Economics
38 EFTSL

University education increases earnings potential, leading to greater economic activity and productivity for Tasmania

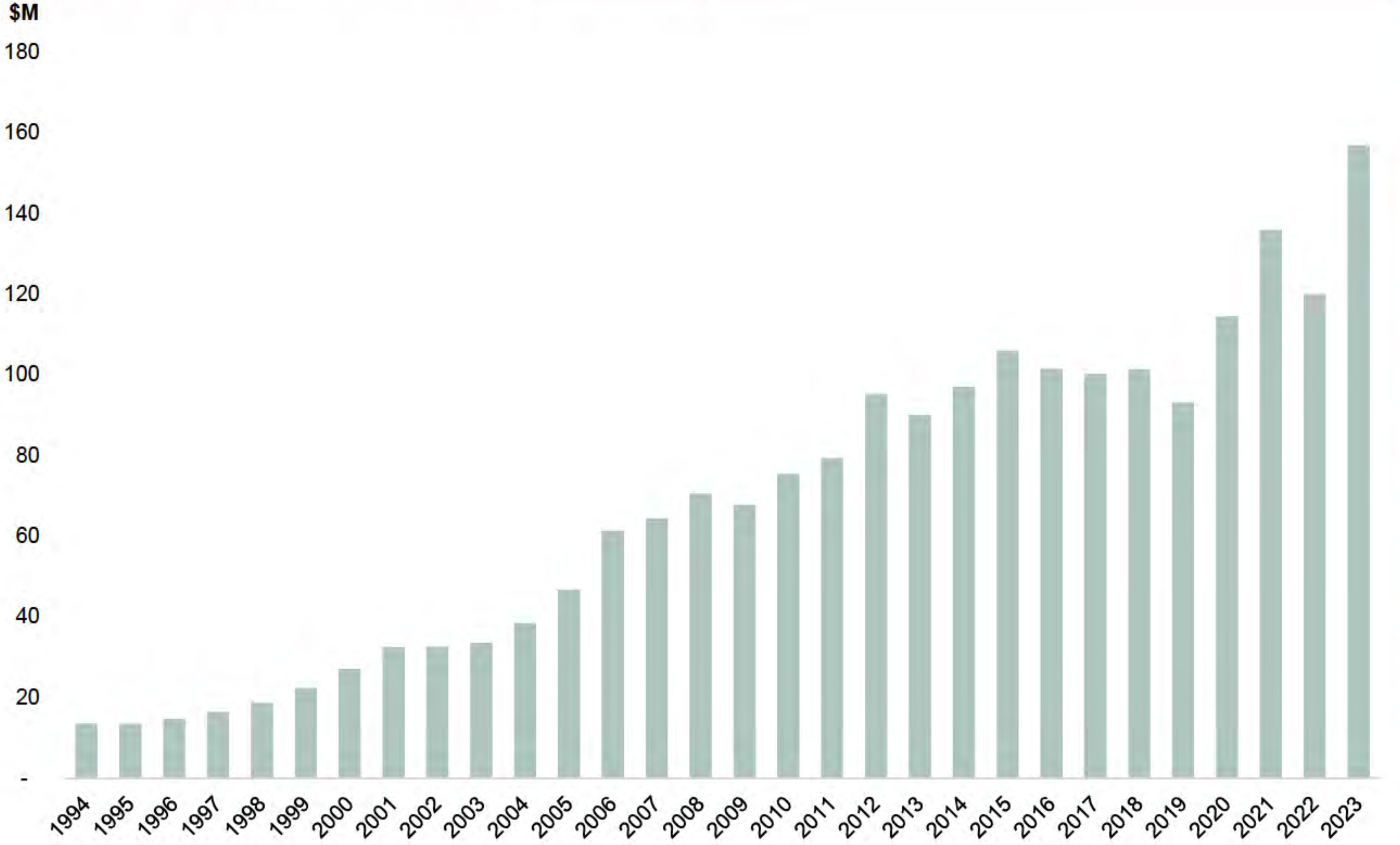
Median income by highest level of education, 2021



ABS Tablebuilder, 2021 Census, Average Weekly Earnings of Employed Persons by Highest Educational Attainment. As ABS Reports Median income in bands, the median income is calculated by finding the midpoint of all workers in the Labor force, and estimating what percentage through the band the median person would be.
*Assuming a discount rate of 7% and Final Savings Rate of 25.66% leading to a 3.89 Economic Multiplier. (World Bank, Australia 2017 – 2021 Final Consumption Rate)

We have a commitment to deliver research for and from Tasmania which requires support that is not fully funded

University of Tasmania Research revenue 1994 - 2023



Higher Education Research Data Collection (HERDC) https://www.education.gov.au/resources/research-block-grants / *Grattan Institute: The cash nexus: how teaching funds research in Australian universities, A. Norton

Regional delivery in Launceston and Burnie comes at an estimated $40m - $60m cost, however it also delivers 3 times this in economic benefit to Tasmania

Serving Tasmania

INVESTMENT

The University invests from $40m - $60m in maintaining our regional presence, offering a breadth of curriculum that provides opportunities to all corners of the state

=

ECONOMIC GROWTH

Benefits flow from the increased earnings and therefore spending and taxes from graduates as well as staff located in the regions

+

IMPROVED HEALTH

Graduates have better health outcomes, resulting in a lower burden on the hospital system and longer life expectancy

UNIVERSITY of TASMANIA

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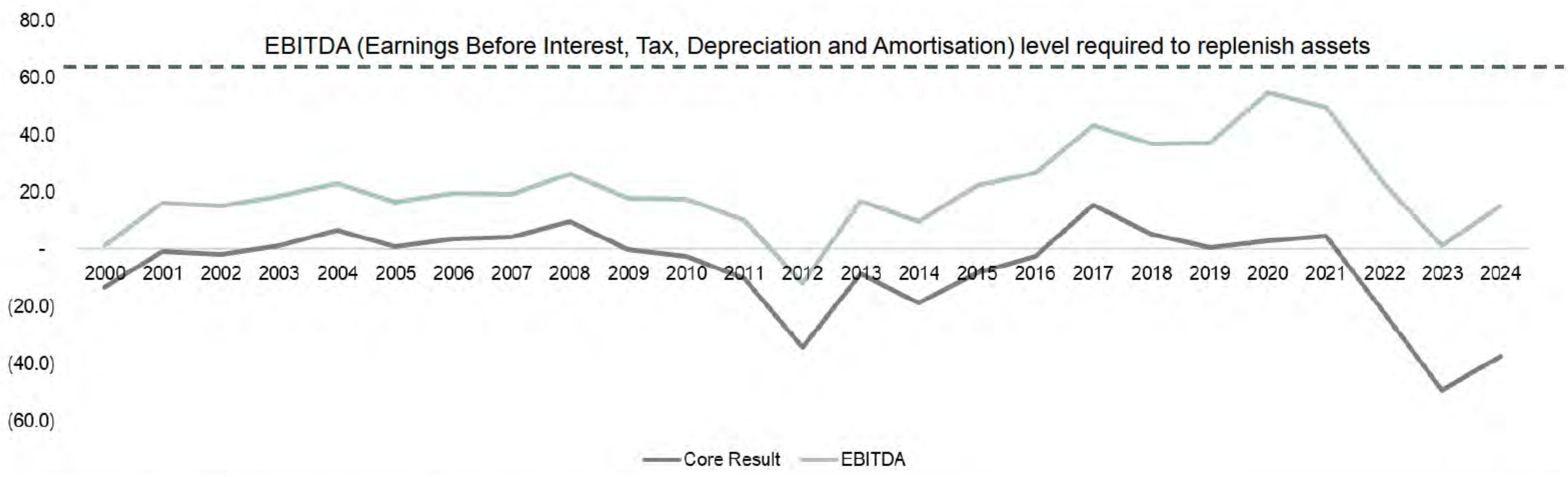
This broad mandate means we cross-subsidise a number of activities, which leads to financial challenges as we have not been funded at a level which enables us to replenish our assets

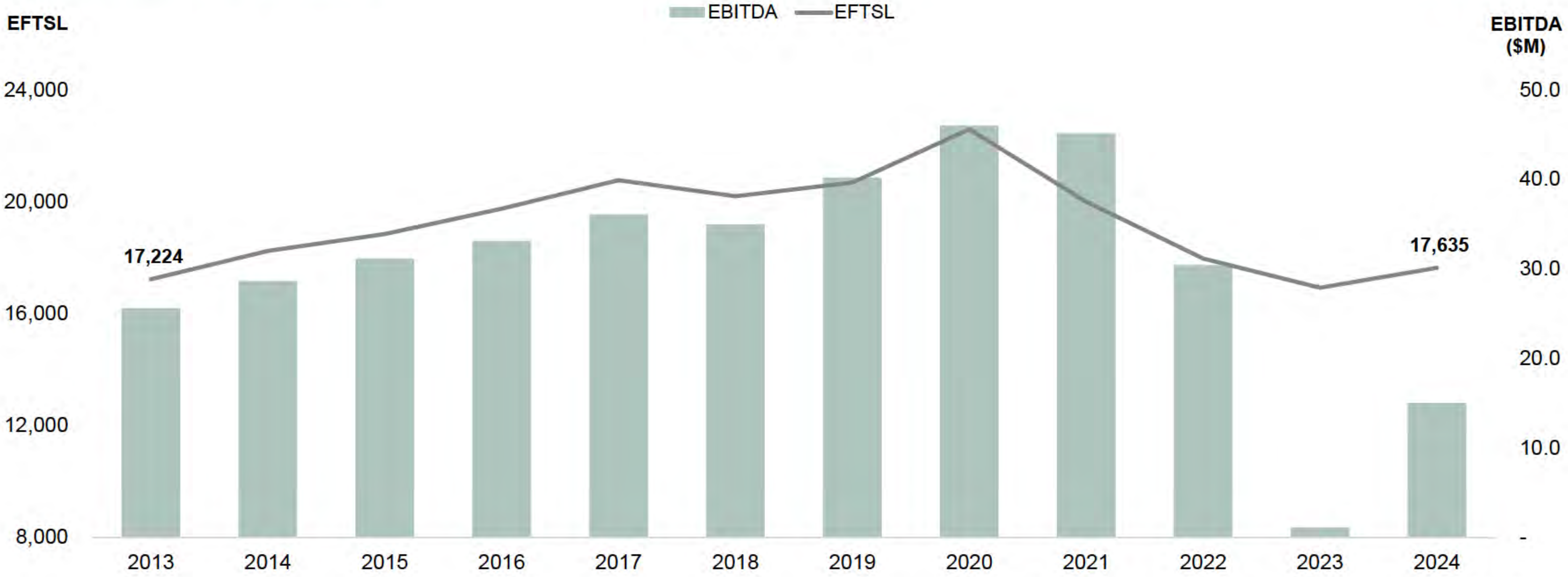
Earnings History ($M)



- Each year we have a sustaining capital budget of ~$30m
- This is considered the absolute minimum spend necessary to maintain our buildings, equipment and systems
- EBITDA needs to contribute the cash to cover this expenditure
- To invest in new assets and systems requires a higher level of cash generation

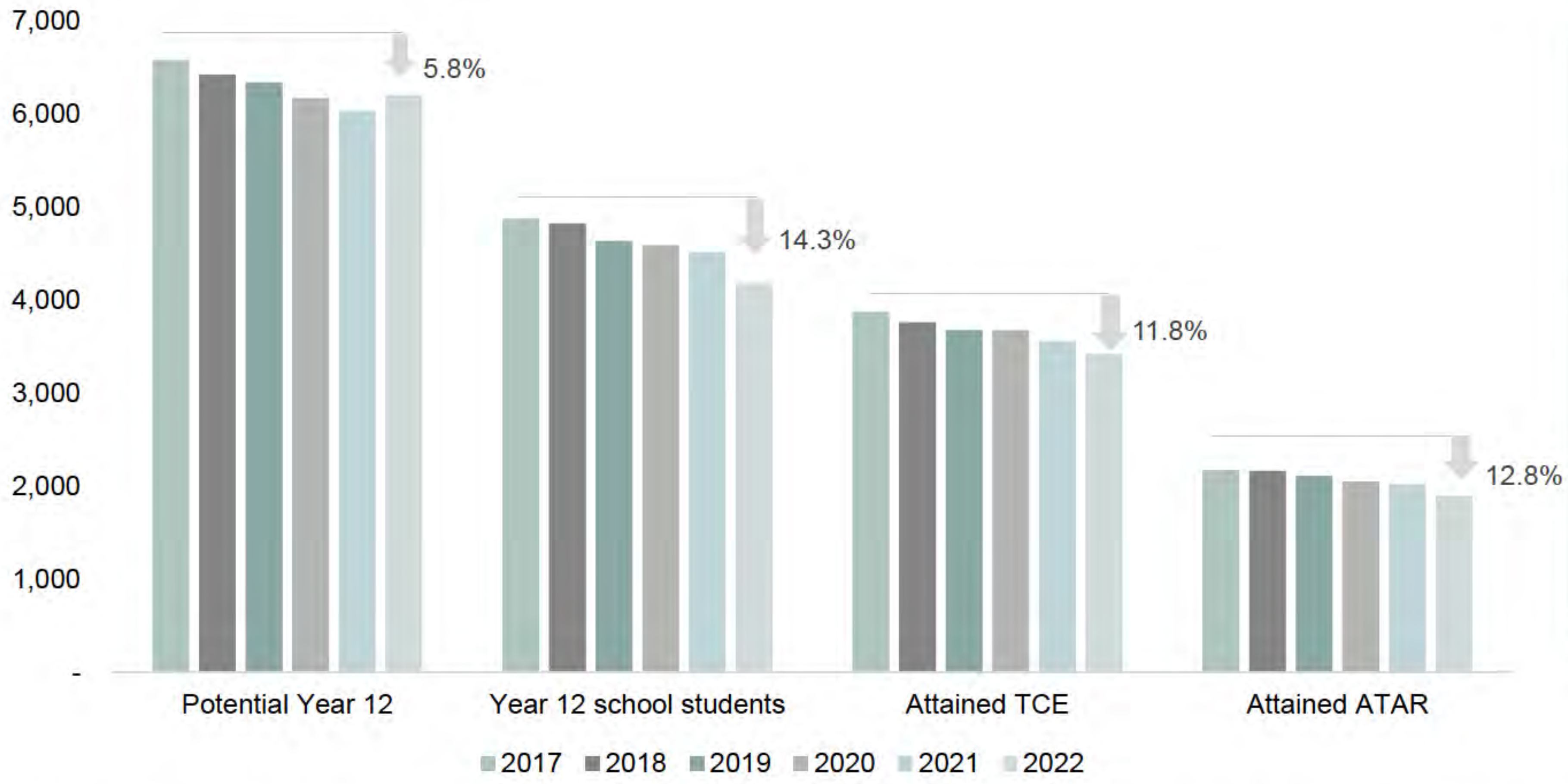
Our students drive our financial sustainability, and the profile of our student growth has followed the 10-year trend of the sector due to the policies in place, noting the impact of the pandemic and subsequent migration policy changes

Onshore EFTSL and EBITDA



An important contribution to this decline has been the decrease in the Tasmanian Year 12 population and with fewer students achieving TCE or ATAR

Number of Tasmanian Year 12 Students, 2017 - 2022



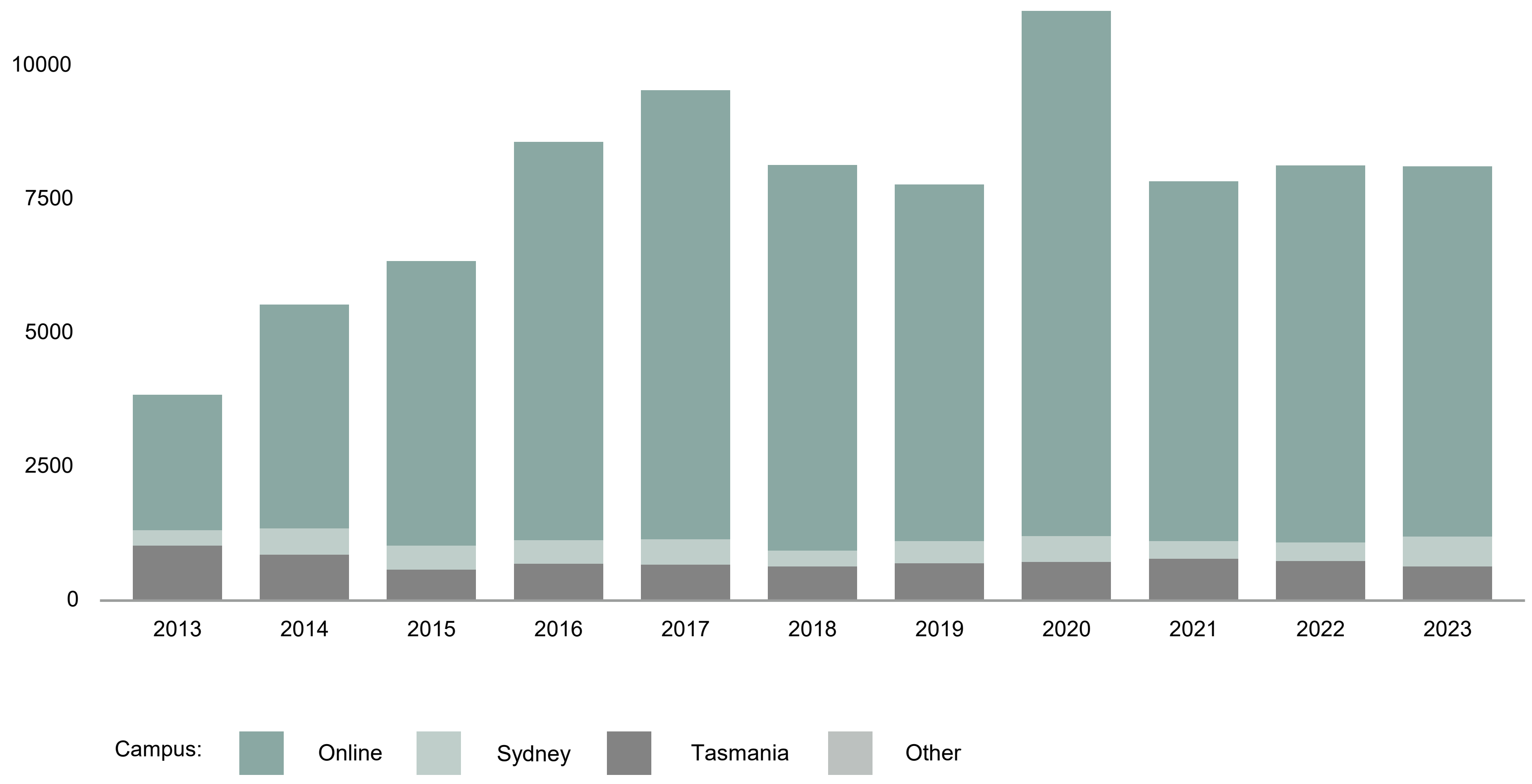
- Between 55% and 60% of potential year 12 students go on to attain a TCE
- Between 2017 and 2022 the potential year 12 population decreased by 378 students
- Over the same period there has been a decrease in actual number of year 12 school students (down 704), number attaining TCE (down 435) and number attaining ATAR (down 277) which is over double the potential population by proportion

TASC Annual Report 2021/22. Note: The potential Year 12 population is based on an age-weighted value using Australian Bureau of Statistics estimates for the number of persons aged 15-19 years in Tasmania in the given year.

Page 108

To generate growth, we increased uptake in the interstate market, with substantial growth in interstate students, particularly online, since 2013

Commencing interstate student enrolments at the University of Tasmania by campus

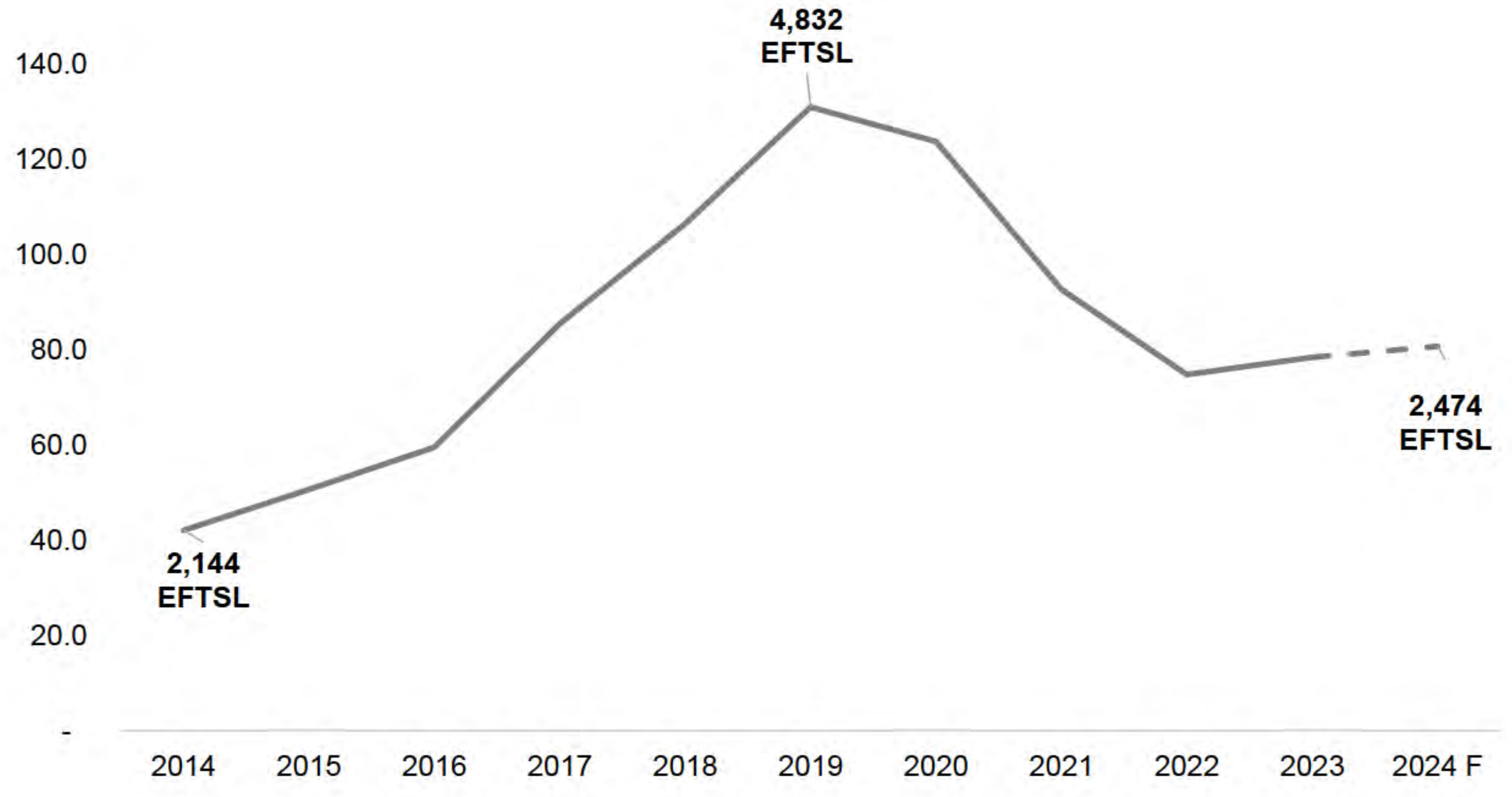


Enrolments from interstate students were particularly high in 2020 during COVID, with increased uptake in our online course offerings

Source: University of Tasmania Course Enrolments table. Campus defined here based on location that student has most unit enrolments for course in a year. Online students are those studying all units by distance. Students with multiple course enrolments across different groupings are counted in each grouping.

International students were the main driver of growth from 2014 - 2019, but student numbers have declined because of COVID and migration policy changes in Australia and China

2014 - 2024 Forecast: International Revenue ($M)

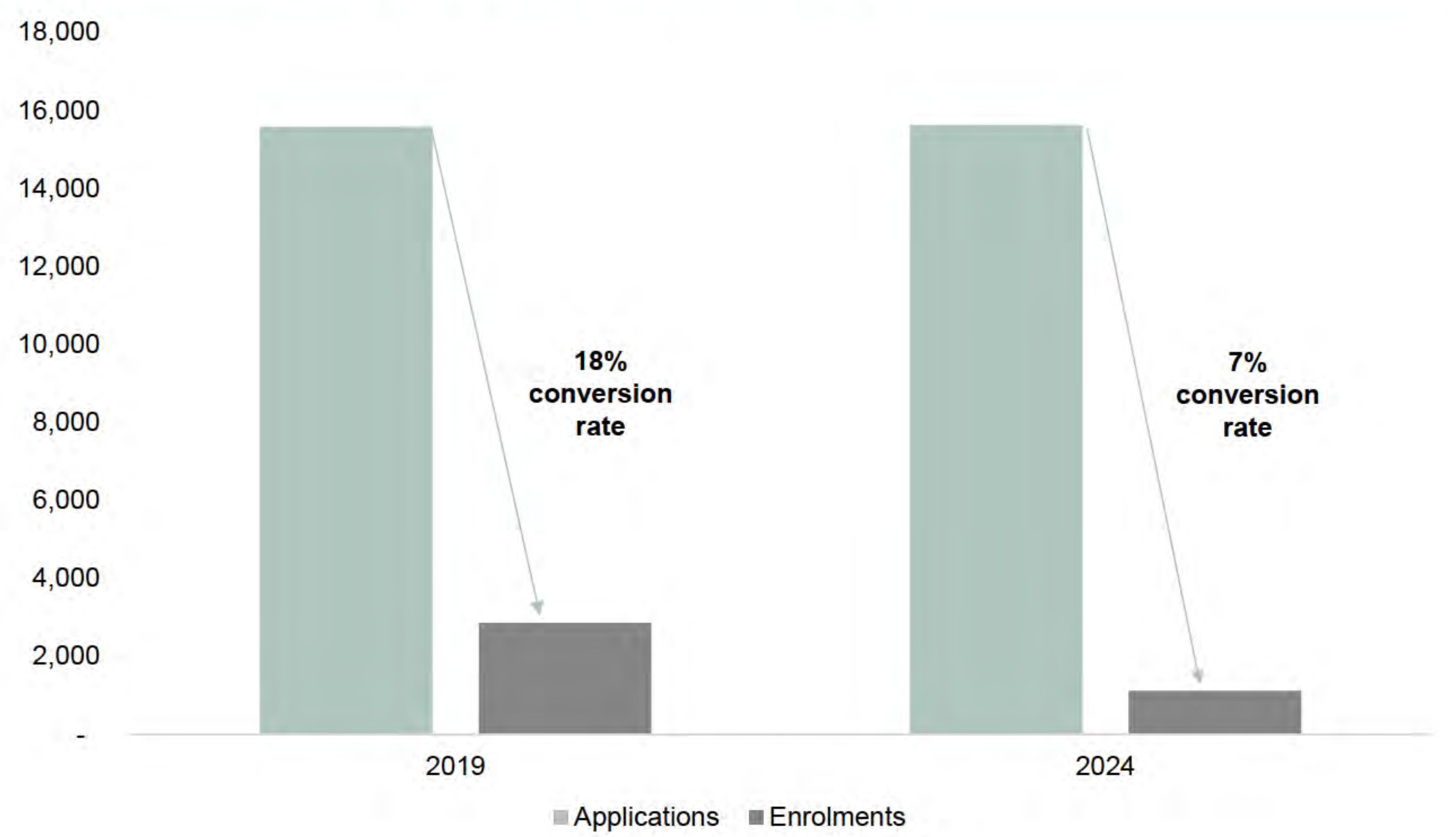


Impacts on the International Student market:

- Tasmania no longer enjoys permanent residency benefits over QLD and WA
- COVID-19
- Chinese border remain shut
- Chinese government focus on top 100 universities
- Increased diversification into more complex countries
- Increased competition
- Changes in migration settings and visa processing

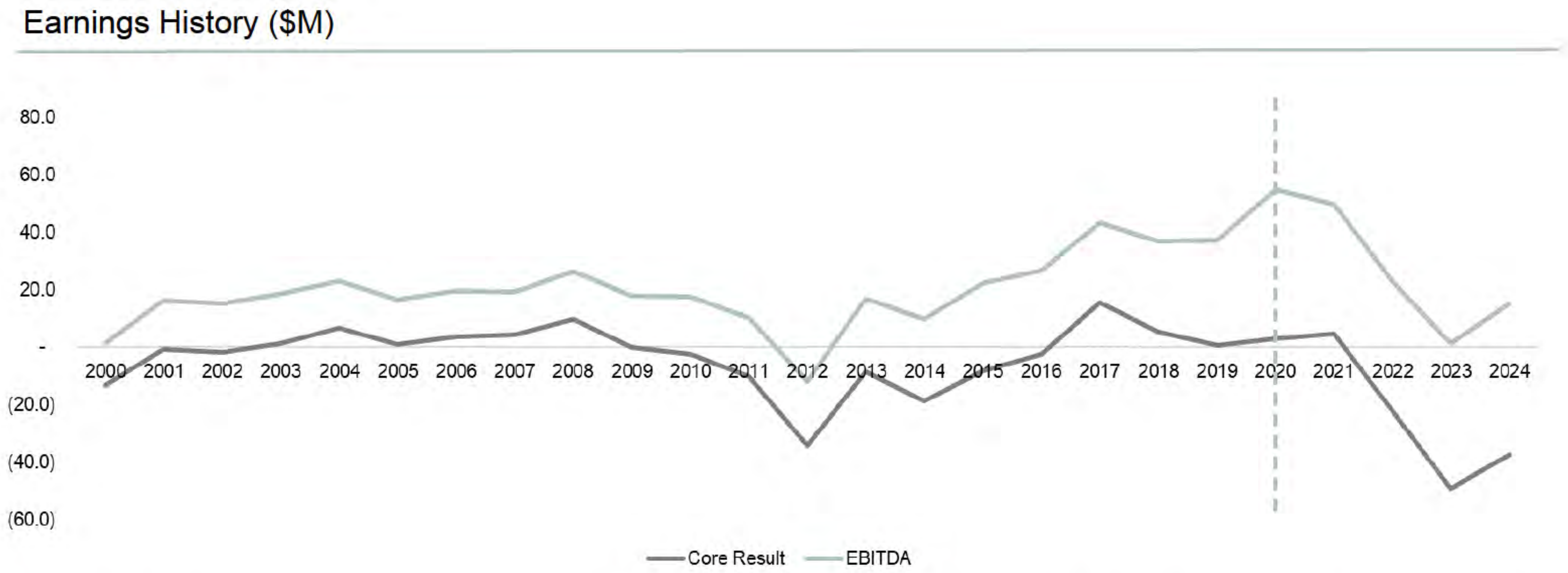
This has directly impacted us, with interest from international students still strong, but very few of them now getting through the migration process

International applications and enrolments 2024 vs 2019



- In total the University has 15,622 applications for the 2024 study year with just 1,117 of these students enrolled to commence their study
- 2,927 international students have applied to the University since January 2024
- In the same period only 38% of these received visa approvals with some waiting months due to slow processing times

The impact of all of these changing factors, in particular since COVID, has seen the University's financial results deteriorate, a situation the University has chosen to bear in order to protect staff and students



- In 2019 we had an average continuing operating workforce of 2,027 FTE vs 20,681 EFTSL (students)
- In 2023 we had an average continuing operating workforce of 2,014 FTE vs 16,920 EFTSL (students)

** EFTSL excludes offshore students*

While we have chosen to run at a loss in the short-term so as not to compromise our Tasmanian mission or dramatically reduce staff, we have still had to actively manage our costs

2020 - $30m cut from operating

- Expenses quarantined
- Salary uplift forgone

2020 - Voluntary Redundancy Program

- Early retirement program implemented

2021 to 2023 - cost constraint

- 2021/2022 expenses held at 2020 levels
- Inflation pressure
- 2023 - 3% expense saving
- Divisional senior management changes

2024 - Vacancy Control Program

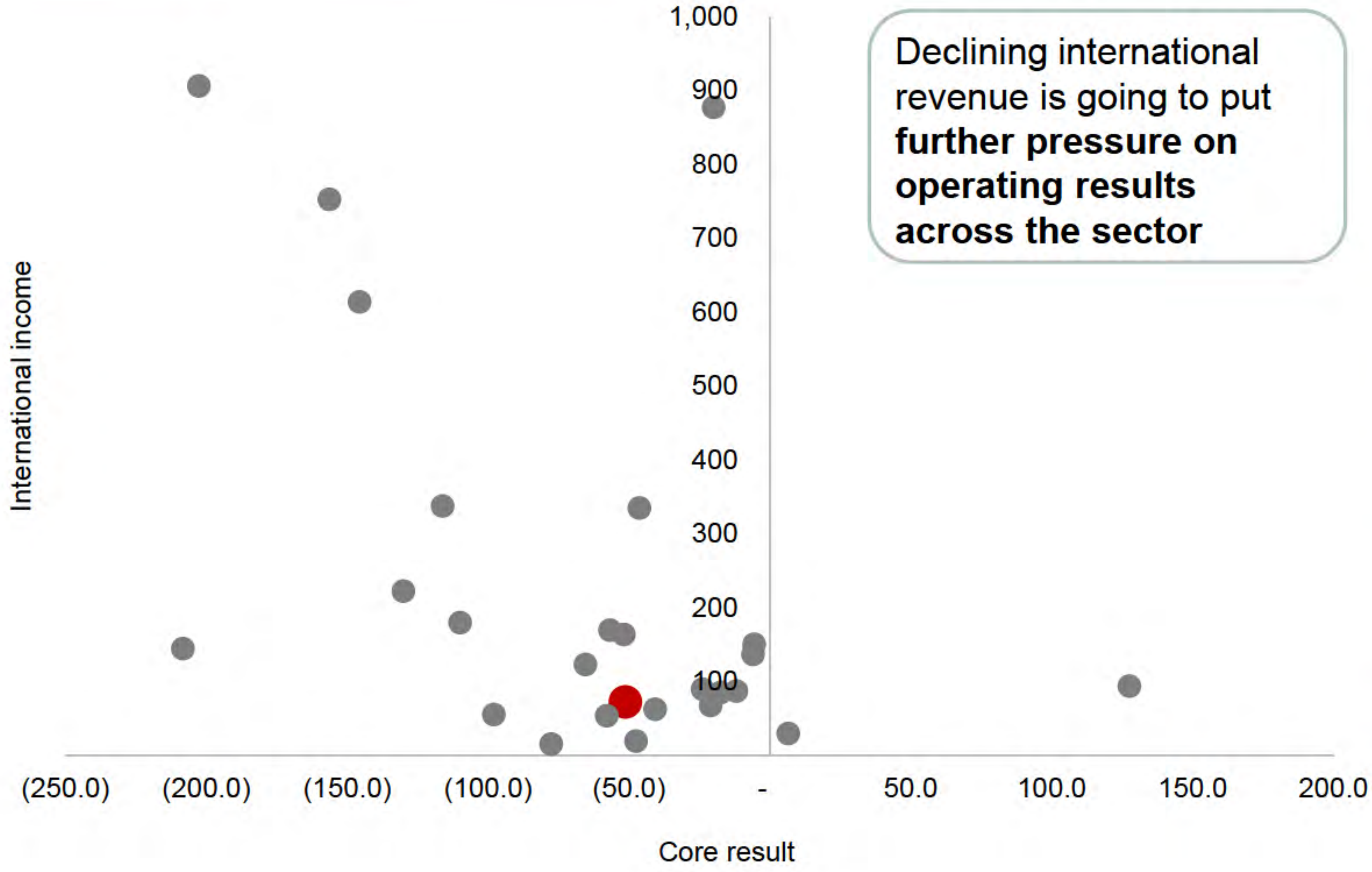
- Quota process established
- Vacant positions not automatically refilled
- Operating expense constraint

We budgeted for and delivered a core operating loss of almost $50m in 2023, aiming to bridge the period to when revenue growth was expected to return

Consolidated Income Statement $M	2023	2022
Student revenue	397.3	403.6
Research support	47.7	47.2
Other revenue	51.7	47.2
Total Revenue	**496.7**	**498.0**
Salaries	333.8	319.1
Other	161.9	148.6
Total Expenses	**495.7**	**467.7**
Cash Operating Result (EBITDA)	**1.0**	**30.3**
Depreciation	50.3	45.2
Core Operating Result (internal)	**-49.3**	**-14.9**
Other core items (eg. Aurora)	-5.5	-4.0
Result from Core Activities (Annual Report)	**-54.8**	**-18.9**
Restructuring costs	-9.5	-2.8
Movement in restricted funds	-6.9	4.9
Investment income	30.8	-30.7
Net interest costs	-6.8	-6.9
Capital income	36.8	97.5
Total Consolidated Result	**-10.4**	**43.1**

And we are not alone, 2023 results are quite revealing to the sector challenges being faced

International student income vs core result 2023



Declining international revenue is going to put **further pressure on operating results across the sector**

With our outlook becoming clearer and significant revenue growth unlikely, we need to carefully plan our path to a long-term financially sustainable future

We need to align our resourcing with an expectation of a lower student profile over the next several years

This will involve a streamlining of some of our curricula offerings and embracing technology

Continue to advocate for the positive outcomes that are the aim of the Higher Education Accord reforms

Gather support for the changes to the international student system critical to support regional Australia and regional universities

Questions

Australian higher education is going through the largest change since the early 1990s as it transitions from an era of rapid market driven growth to a **managed system with at best low domestic and international growth** in the near term

We are a university with a **broad mission** across teaching, research and regional delivery for Tasmania, which is a high-cost task in the context of how the sector is funded

These pressures require a **delicate balancing act** to deliver our mission, look after staff and students, and manage our finances. That has meant we cannot generate enough surplus to replenish our assets from our operating funds without compromising our mission

To date we have **replenished our assets with government assistance, innovative finance and the prudent use of debt** overseen by good governance. The current low growth and funding settings means none of those strategies are available to us for further capital replenishment

To be a sustainable university delivering the higher education Tasmania needs, **three things are required**: the proposed policy settings in the Accord and Migration Review are supported and Government assistance and unencumbered assets for STEM

Given we don't have operating surpluses to fully fund replenish our assets we have had to use other strategies

Government Funding

In support of major infrastructure

Innovative Commercial Solutions

Supporting student accommodation

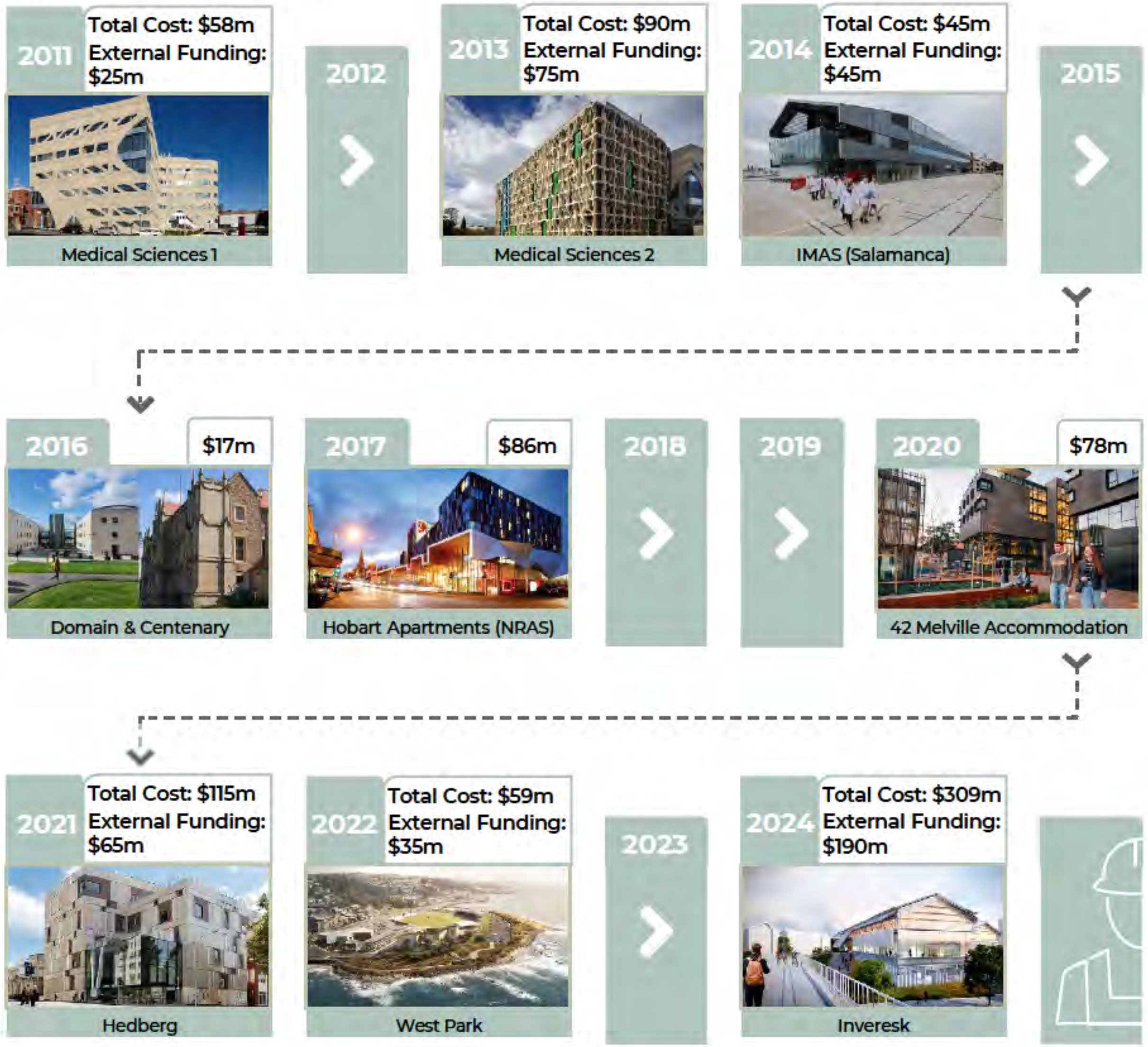
Debt

Secured low interest rates for the long-term

Monetising existing assets

Utilising what we have to benefit the future

Over a decade ago, the University embarked on a journey to replenish its post-war building stock, to date, that has required very large contributions from the Federal and State government.



We have a successful history of capital program delivery on time and on budget

Local labour, materials and procurement have been prioritised throughout every project, supporting a pipeline labour force of over 4,500 individuals, including apprentices

The **Northern Transformation Program** is substantially funded by successfully negotiating capital grants from the Federal ($150m) and State ($75m) governments.

Our transition from Newnham to Inveresk is achieving the smaller footprint we need to be vibrant and financially sustainable

The Newnham footprint has been reduced by 43% though better design and utilisation

Sustainability outcomes have been substantially improved in these building for both ongoing and embodied carbon

We have achieved greater visibility and connection to the University by the location

	GFA
Pre-Development	
Newnham & Inveresk	61,291m²
Post-Development	
New Inveresk Precinct	35,005m²
Percentage Reduction[1]	**43%**

[1]AMC, Student Accommodation, UniGym, CSAW excluded (will remain at Newnham)

We have used creative solutions to help provide the support services students need, with our PBSA agreement delivering 400+ beds for Hobart

- We licensed our student accommodation to a partner in 2017
- The Hobart City Apartments were constructed based on the value in this deal and were largely paid for by our partner
- The University retains ownership and all operational responsibility, including student related activities and pastoral care.

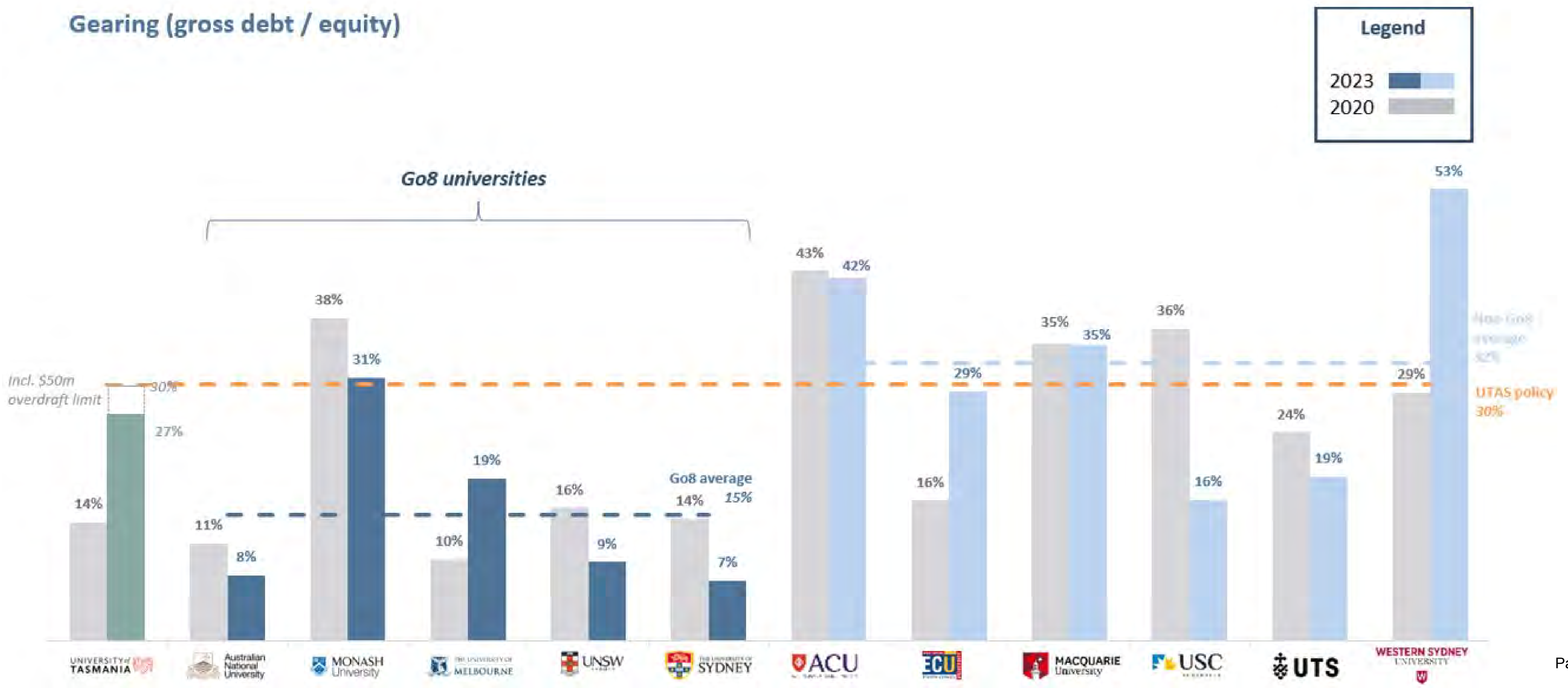
With no further government funding available to continue our capital replenishment, the University raised $350m via a Green Bond and established a $50m Overdraft facility, in accordance with our $400m borrowing limit

The University received approval from the State Treasurer on 3 April 2021 for an increase of $200m to our borrowing limit to a total of $400 million based on:

State Government debt conditions	University compliance
• (1) obtaining and maintaining an investment grade credit rating	• We are maintaining an investment grade credit rating with a Moody's credit rating of Aa2 affirmed on 5 August 2024.
• (2) the increase is approved solely for the purposes of the construction of the Southern Infrastructure project	• The debt increase of $200m is being used to fund the Forestry and Timber Yards project, Taroona project and Philip Smith Centre on the Domain.
• (3) the $200 million borrowing facility limit will reduce over time consistent with the maturity profile	• We remain consistent with the maturity profile as detailed and will continue to monitor this throughout the terms of the Green Bonds.

Comparing our utilised debt to equity ratio of 27% to other universities with issued credit ratings, we are in the middle range of our peers

Gross debt/equity ratio sector comparison of active drawn down debt as at 31 December 2023



Page 124

We have a Aa2 Credit Rating which is 7 notches above our requirement and comparable to our peers.

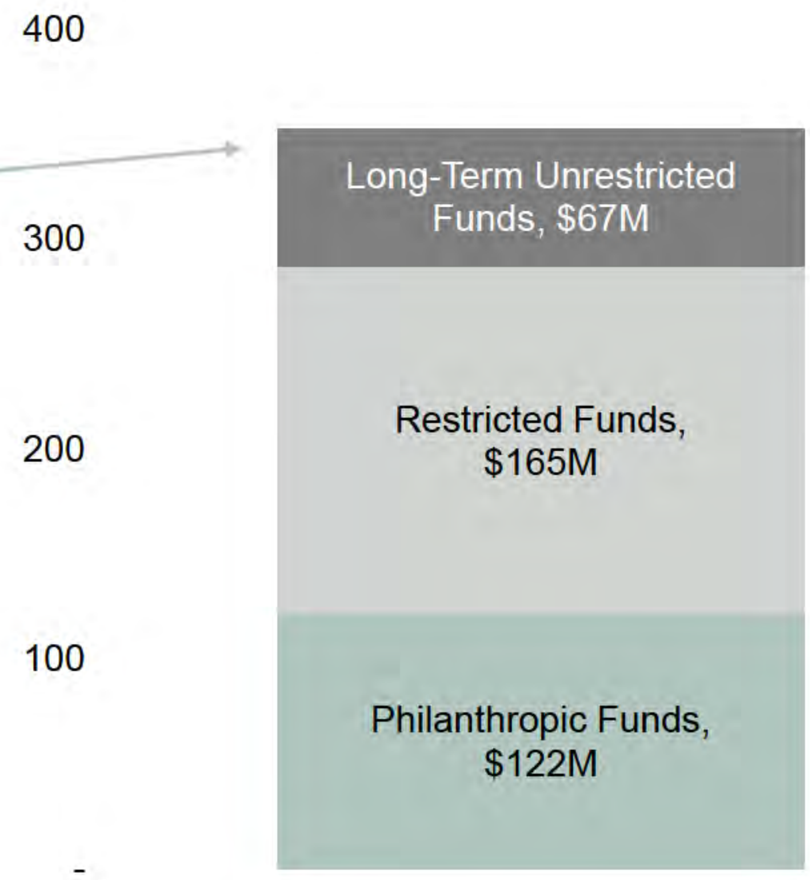
Our Aa2 rating is 7 notches above the investment grade requirement in our borrowing conditions alongside many of our peers

Aa1	Aa2	Aa3
MONASH University	MACQUARIE University	University of the Sunshine Coast
THE UNIVERSITY OF SYDNEY	UNIVERSITY of TASMANIA	
UTS	AUSTRALIA ECU EDITH COWAN UNIVERSITY	
Australian National University	WESTERN SYDNEY UNIVERSITY	
UNSW SYDNEY	ACU AUSTRALIAN CATHOLIC UNIVERSITY	

Source: Moody's Investor Service, University of Tasmania Credit Opinion (published version 5 August 2024). Other universities credit ratings also sourced from published annual reports.

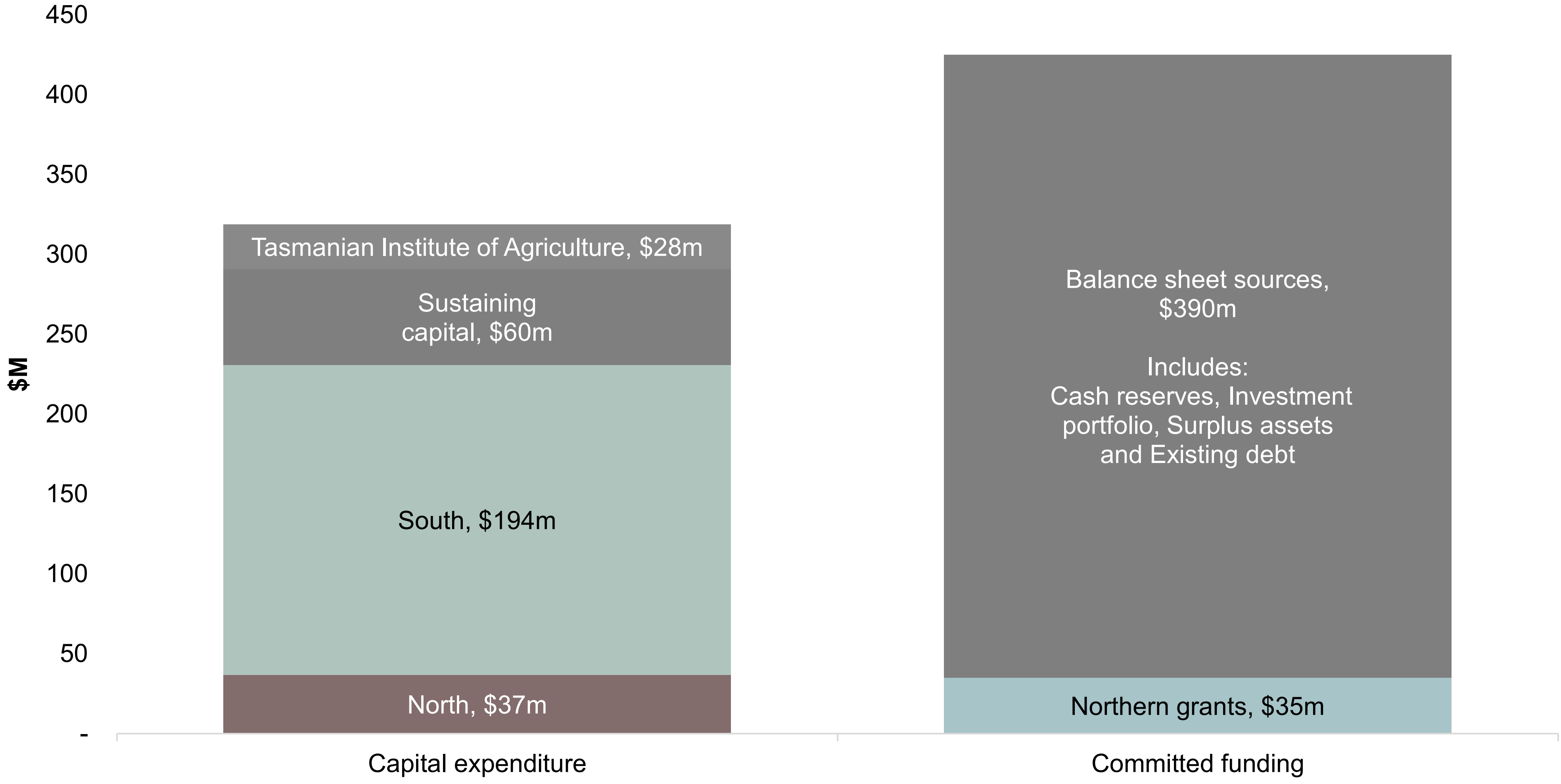
Our Balance Sheet remains strong with over $1.3bn in net assets including $350m in Investments and $150m in Cash

Balance Sheet Consolidated $M	Jun-24	Dec-23
Assets		
Cash	159.5	193.4
Investment Portfolio	354.0	333.0
PPE	1,316.8	1,247.2
Other	400.7	448.8
Total Assets	**2,231.0**	**2,222.4**
Current Liabilities		
Trade and Other Payables	45.1	56.0
Borrowings	355.7	356.1
Other	484.9	468.9
Total Liabilities	**885.7**	**881.0**
NET ASSETS	**1,345.3**	**1,341.4**



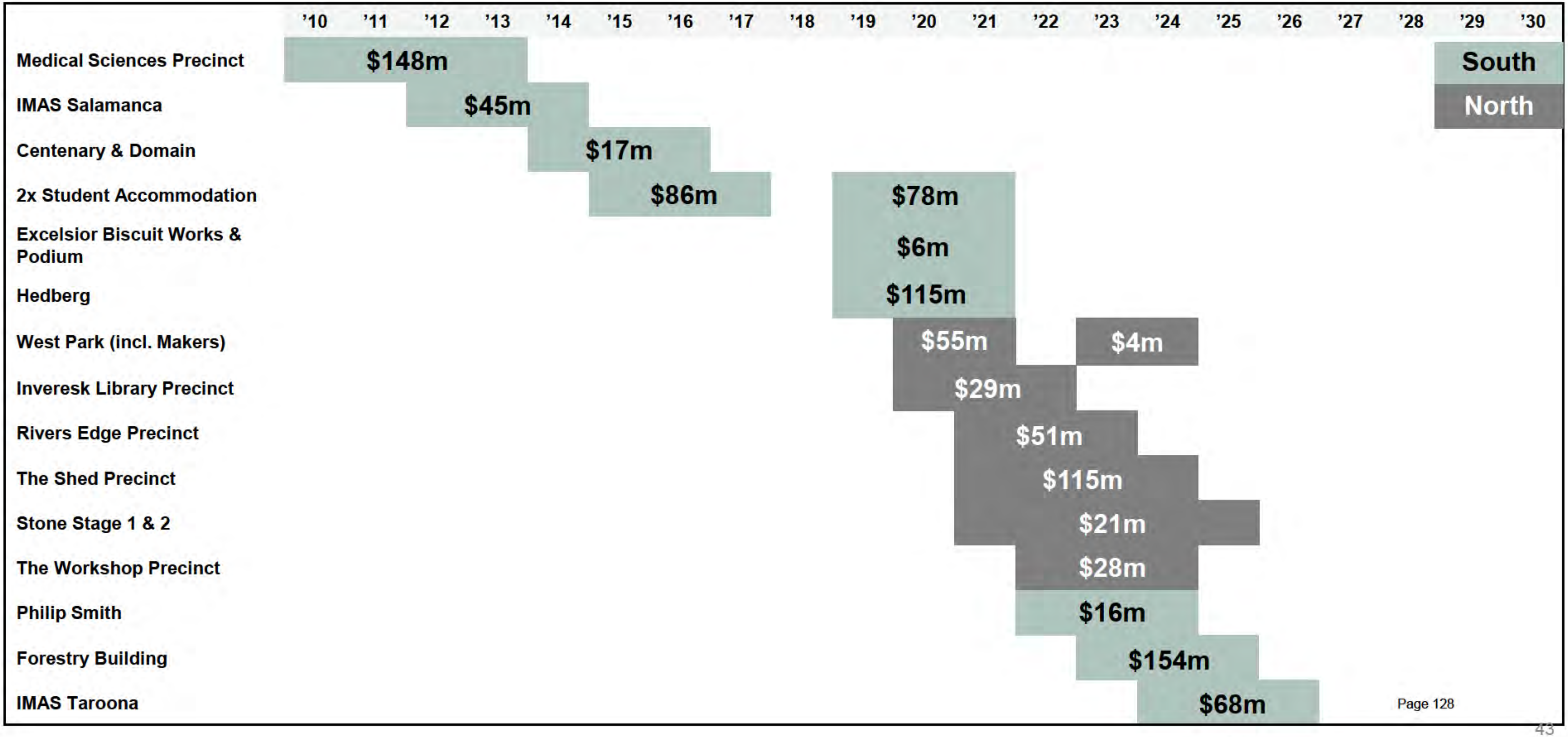
We have the funding needed to meet our capital commitments and additional funding sources available to manage risks

Funding plan to meet our committed capital expenditure (2024/25)



Page 127

While we have been able to deliver capital investment over the last 15 years with the constrained operating surplus, that is about to stop



This kind of long-term planning is carefully governed. The *University of Tasmania Act 1992* establishes Council's responsibilities to act in all matters concerning the University in the way it considers will best advance the interests of the University, including how to finance what is required

University Council	Empowered by the *Act* to allocate funds and otherwise determine the best use of the University's resources (section 9. 3(b)) • Receives analysis of core and operating result performance *(every Council meeting)* • Considers financial sustainability and emerging strategic issues *(as required)* • Approves the University's budget *(annually)*
Audit and Risk	Provides advice and **makes recommendations to Council** by monitoring the activities and performance of the internal and external audit functions. • Oversees the production of public accounts, audited by the Tasmanian Audit Office, certified by Auditor General and approved by Council.
Strategic Resourcing	Provides advice and **makes recommendations to Council** on the strategic and coordinated deployment of physical and financial resources • Endorses University's Financial Model • Monitors Financial Outlook, Investments and Budget

Questions

Australian higher education is going through the largest change since the early 1990s as it transitions from an era of rapid market driven growth to a **managed system with at best low domestic and international growth** in the near term

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To date we have **replenished our assets with government assistance, innovative finance and the prudent use of debt** overseen by good governance. The current low growth and funding settings means none of those strategies are available to us for further capital replenishment

To be a sustainable university delivering the higher education Tasmania needs, **three things are required**: the proposed policy settings in the Accord and Migration Review are supported and Government assistance and unencumbered assets for STEM

To become a financially sustainable operation we need to see the Accord and Migration Review implemented and for our capital replenishment we need Government investment in STEM and an ability to make a contribution to it

Operating Budget

Accord
- Growth through pathways
- Needs based funding
- Regional loading

International Students
- Economically justified regional allocation

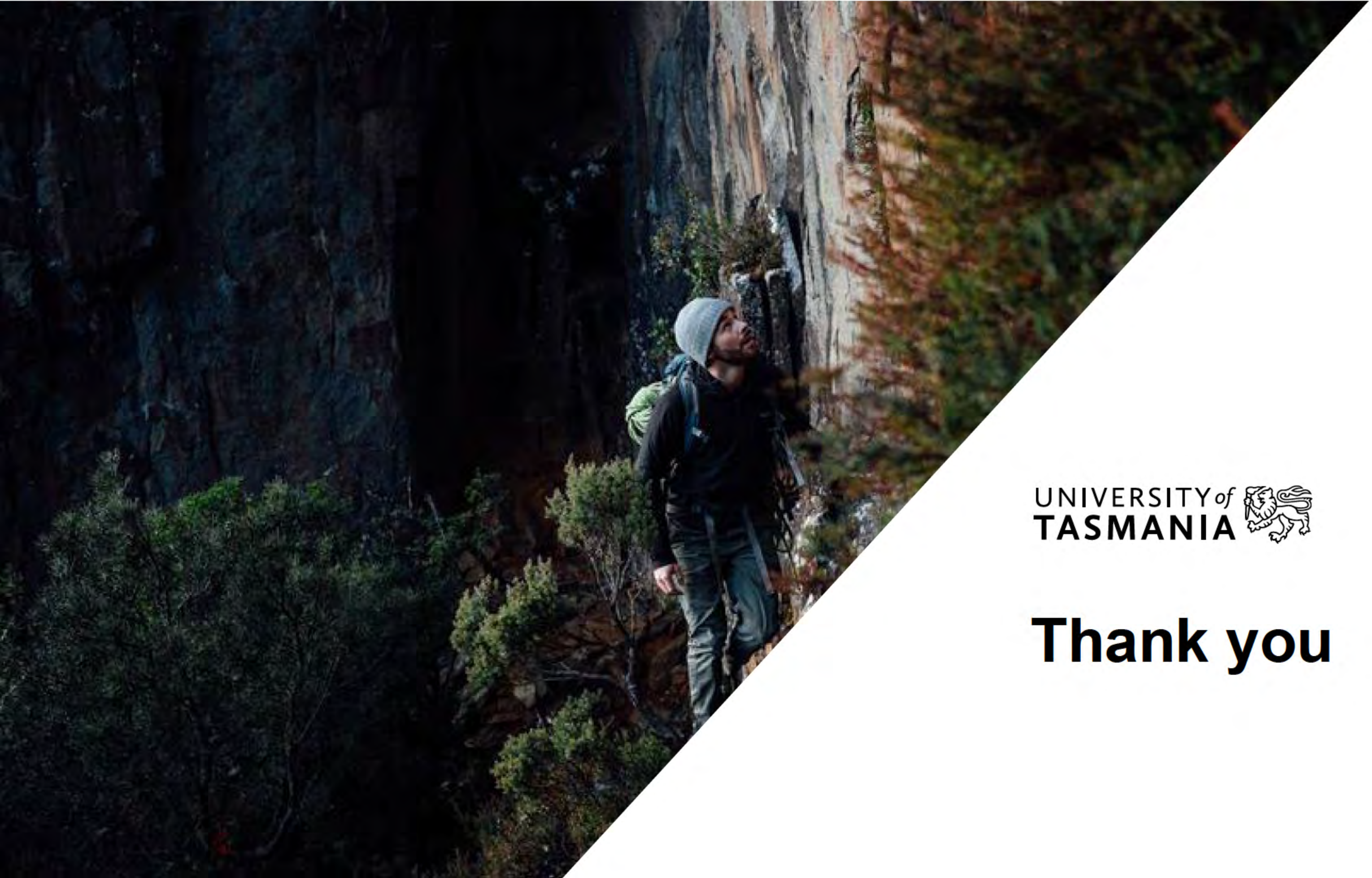
Capital Replenishment

Government investment in STEM

Unencumbered assets to contribute to STEM

Our financial goals support us to deliver our mission for Tasmania and make distinctive contributions from Tasmania

Thriving Tasmanians	• 80% of the workforce with tertiary qualifications and the skills our state needs • 90% of children ready for tertiary education • Healthy life years at the national average • Dramatically lower levels of inequality
Thriving Regions	• Distinctive regions with equal social and economic opportunities • Productivity increased to a level that closes the inequality gap • Pipeline of innovations from research
Global contributions to a sustainable world	• World leading progress towards gross zero GHG emissions • Meeting the global goals for a protected and regenerated natural world • Leading in climate resilience



UNIVERSITY of TASMANIA

Thank you

UNIVERSITY of TASMANIA

Financial Position Inquiry

Parliamentary Standing Committee of Public Accounts

Wednesday 2nd October 2024

Acknowledgment of Country

We acknowledge the palawa/pakana of lutruwita, the traditional owners of the land upon which we live and work.

We pay respects to Elders past and present as the knowledge holders and sharers. We honour their strong culture and knowledges as vital to the self-determination, wellbeing and resilience of their communities.

We stand for a future that profoundly respects and acknowledges Aboriginal perspectives, culture, language and history.

Please refer to the University palawa kani Guidelines and our Acknowledgment of Country protocols for further information.

Australia's evolving higher education policy direction aligns with the University of Tasmania's strategic direction

As we navigate through this period of sector evolution, our financial context remains a delicate balancing act as the only university in the State

To secure our long-term financial sustainability and deliver on our mission, we need to work with the State to maximise the value of our collective assets and leverage the benefits of the new policy settings

We previously provided an overview of Australia's evolving international education policy context.

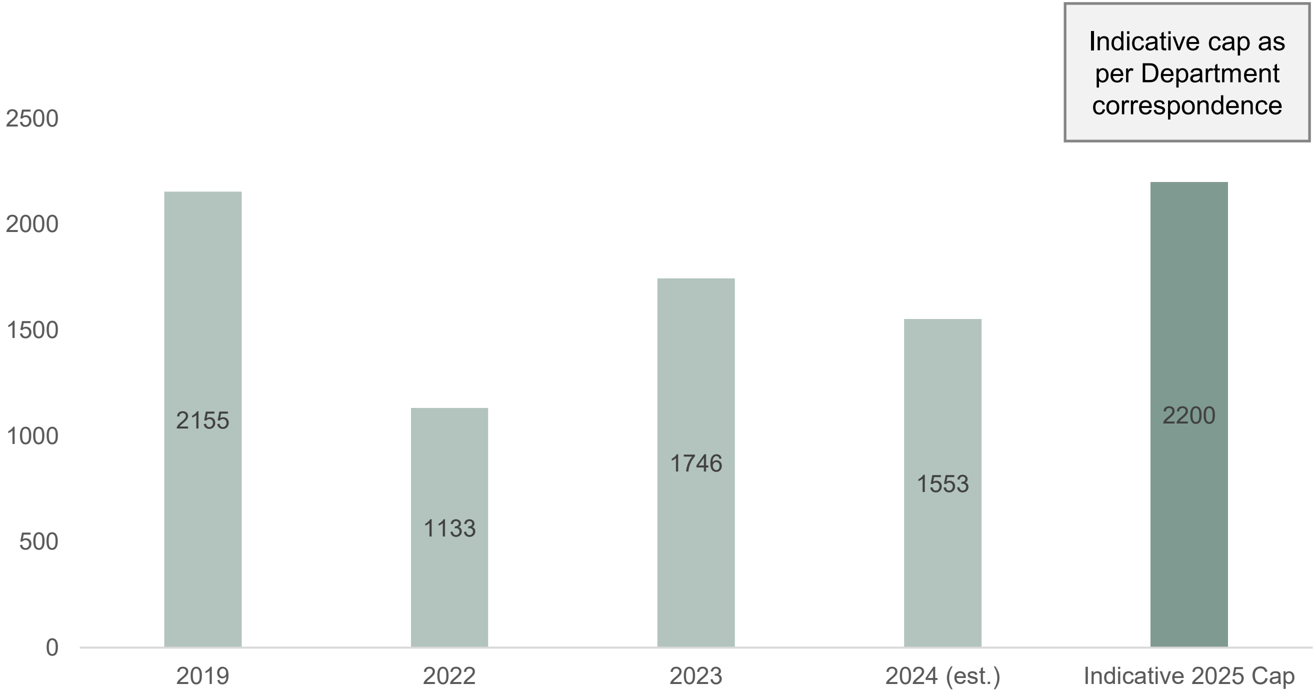
- The proposed Education Services for Overseas Students Amendment Bill (ESOS Bill) introduces a **managed approach** to international education.

- Under this approach, the University of Tasmania has been assigned a **proposed cap of 2,200** international student commencements for 2025.

- Rebuilding our student numbers to achieve this cap will take time, and achieving growth will rely on timely **improvements to the visa processing system**.

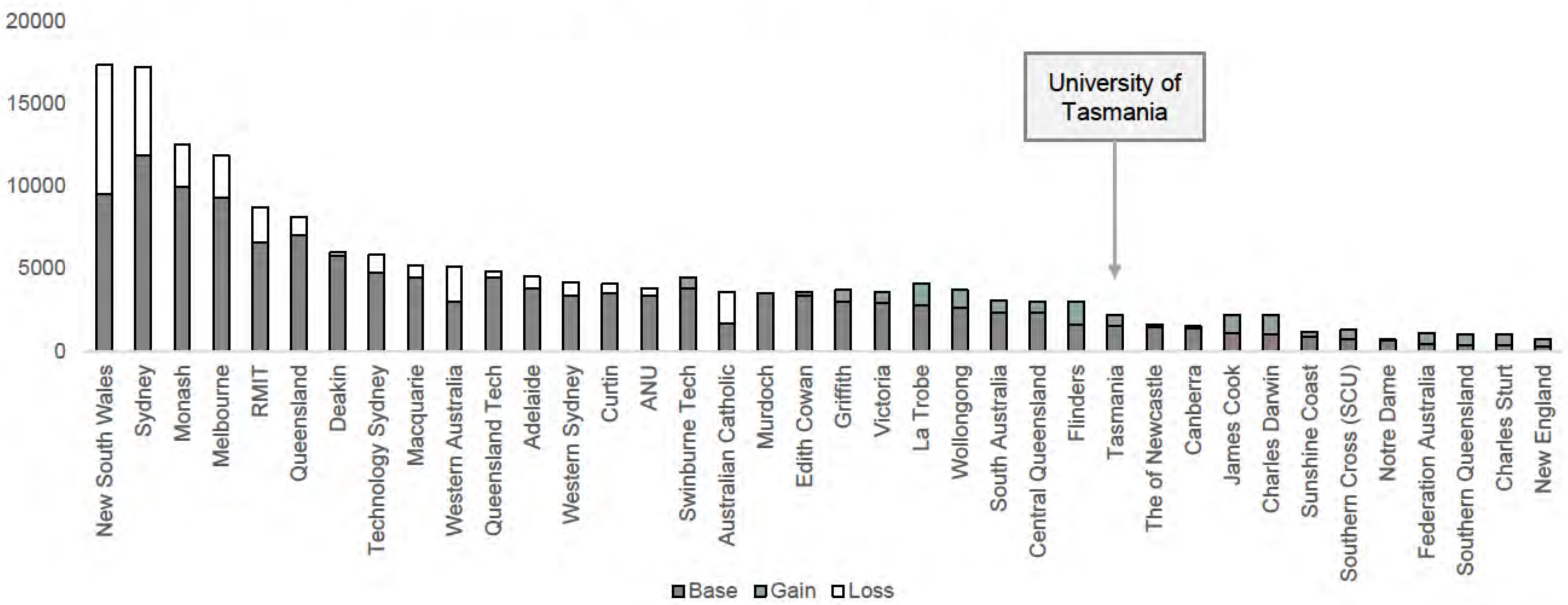
The University of Tasmania's proposed international student cap for 2025 brings us back to 2019 levels and enables growth in our student numbers.

University of Tasmania Historical, Estimated and Indicative Cap - New Overseas Student Commencements, 2019 - 2025



The proposed student caps across the sector show significant growth for some universities, and the need to reduce student numbers for others.

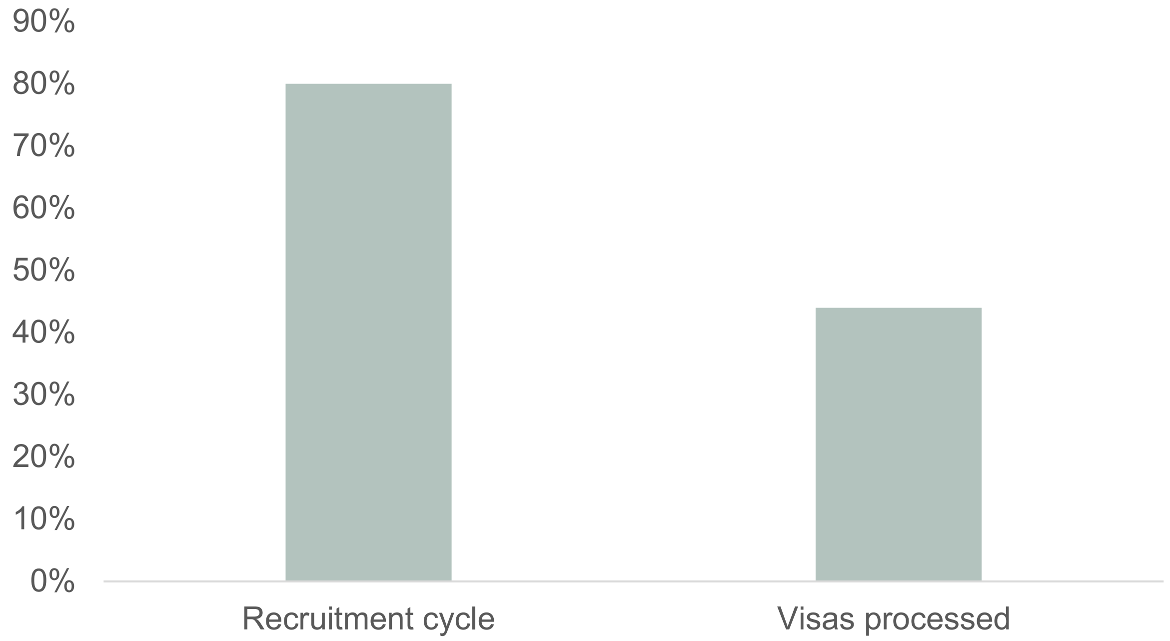
New Overseas Commencements and Indicative Caps, 2024 vs 2025, by Institution



Orders of 17 and September 2024 (622 and 624) relating to Higher education - International students; Education Services for Overseas Students Amendment (Quality and Integrity) Bill 2024 - correspondence to public universities

While we support the policy approach, these changes are coming too late to have a positive impact on our 2025 recruitment

2025 recruitment cycle percentage and percentage of 2025 visas processed



Visa risk management dashboard, 2025 recruitment cycle and visas processed for 2025 as a percentage

Australia’s evolving higher education policy direction aligns with the University of Tasmania’s strategic direction

As we navigate through this period of sector evolution, our financial context remains a delicate balancing act as the only university in the State

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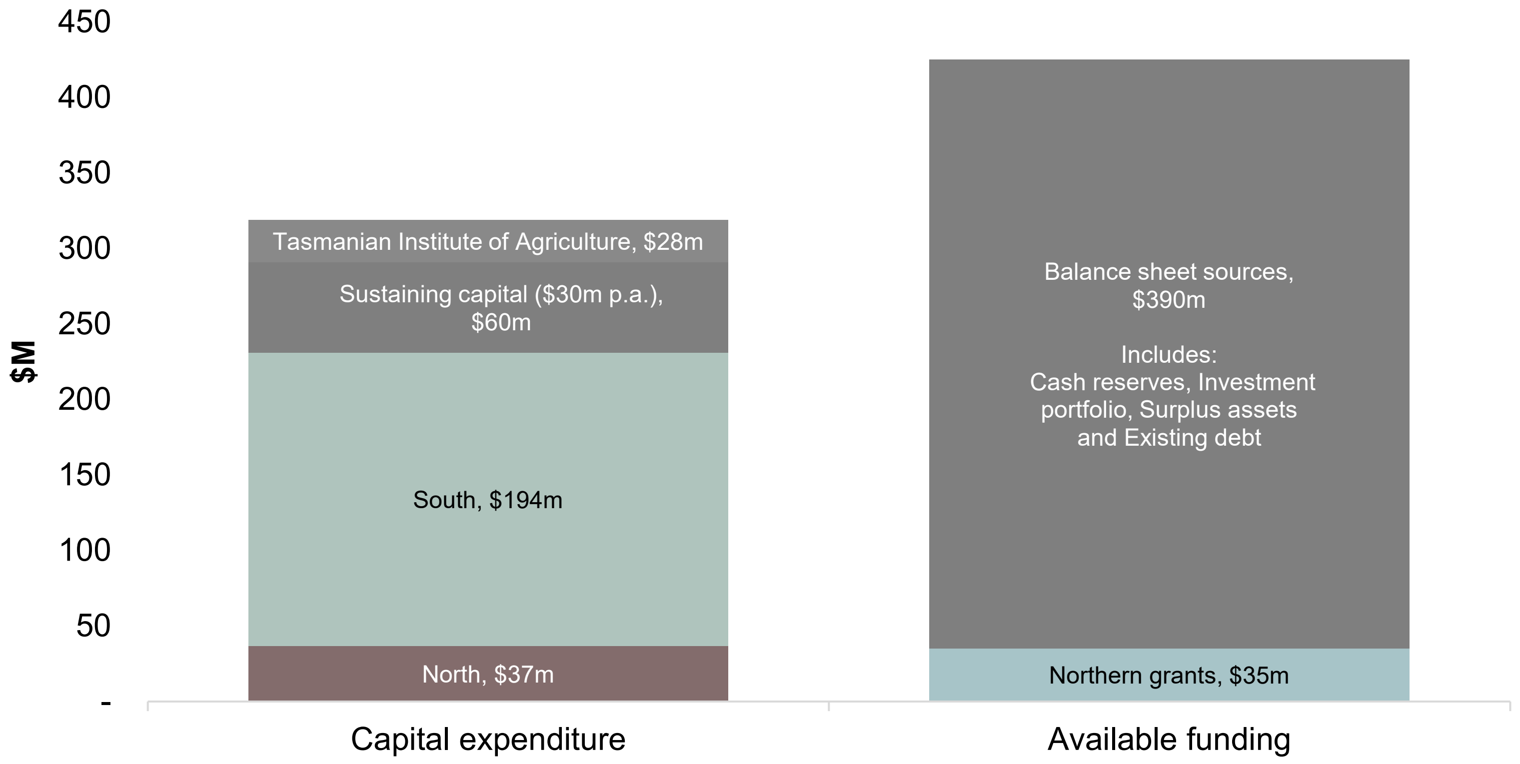
We were asked via the Questions on Notice to provide a copy of the 10-year outlook paper provided to University Council

- Our funding model is dynamic, and it is adapted as our circumstances evolve.
- The December 2023 Council paper was a point in time analysis, and large parts of the analysis have since been updated.
- We recently presented an updated outlook to 2050 to our Strategic Resourcing Committee that we want to share today.

We have the funding needed to meet our short-term capital commitments and additional funding sources available to manage risks.

Funding plan to meet our committed capital expenditure (2024/25)



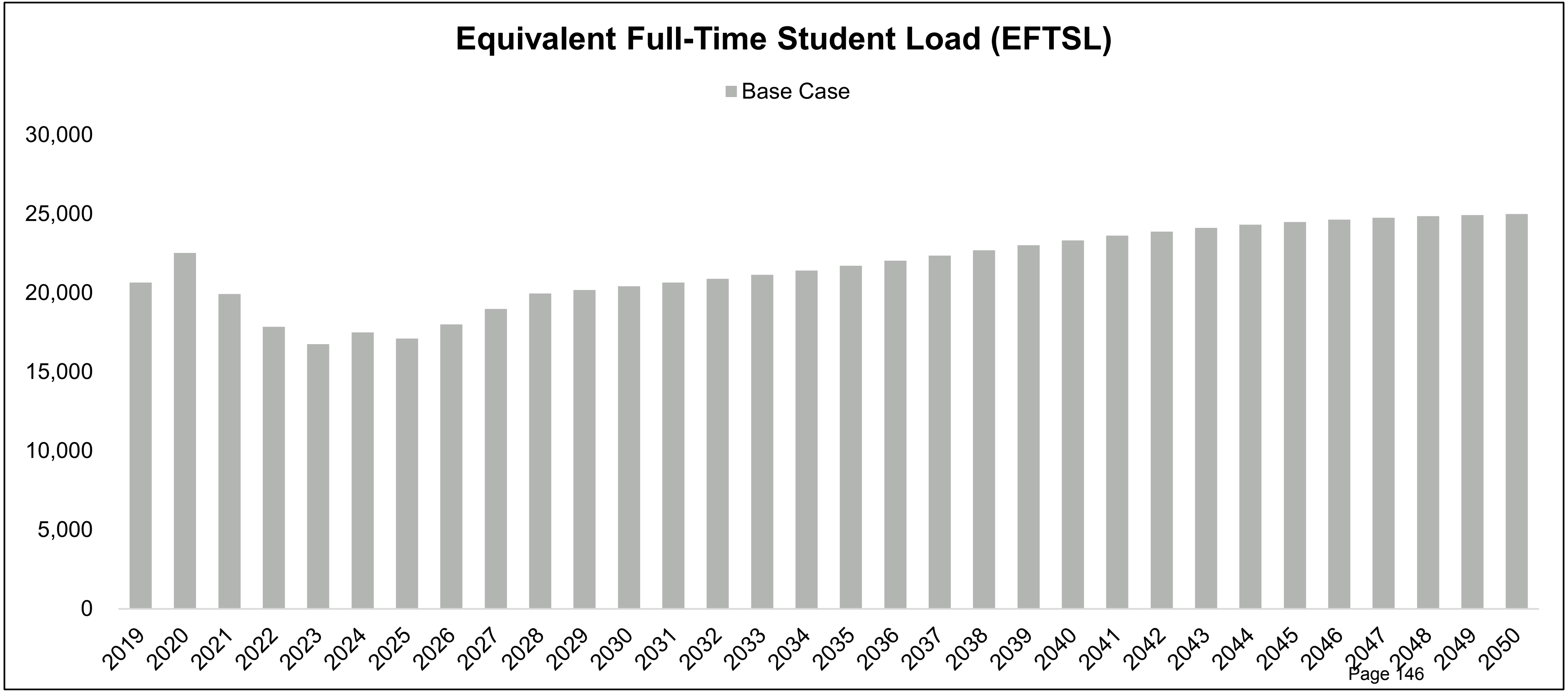
Page 144

With the short-term plan funded, we have modelled a “base case” scenario for our long-term planning, taking into account the changing policy environment.

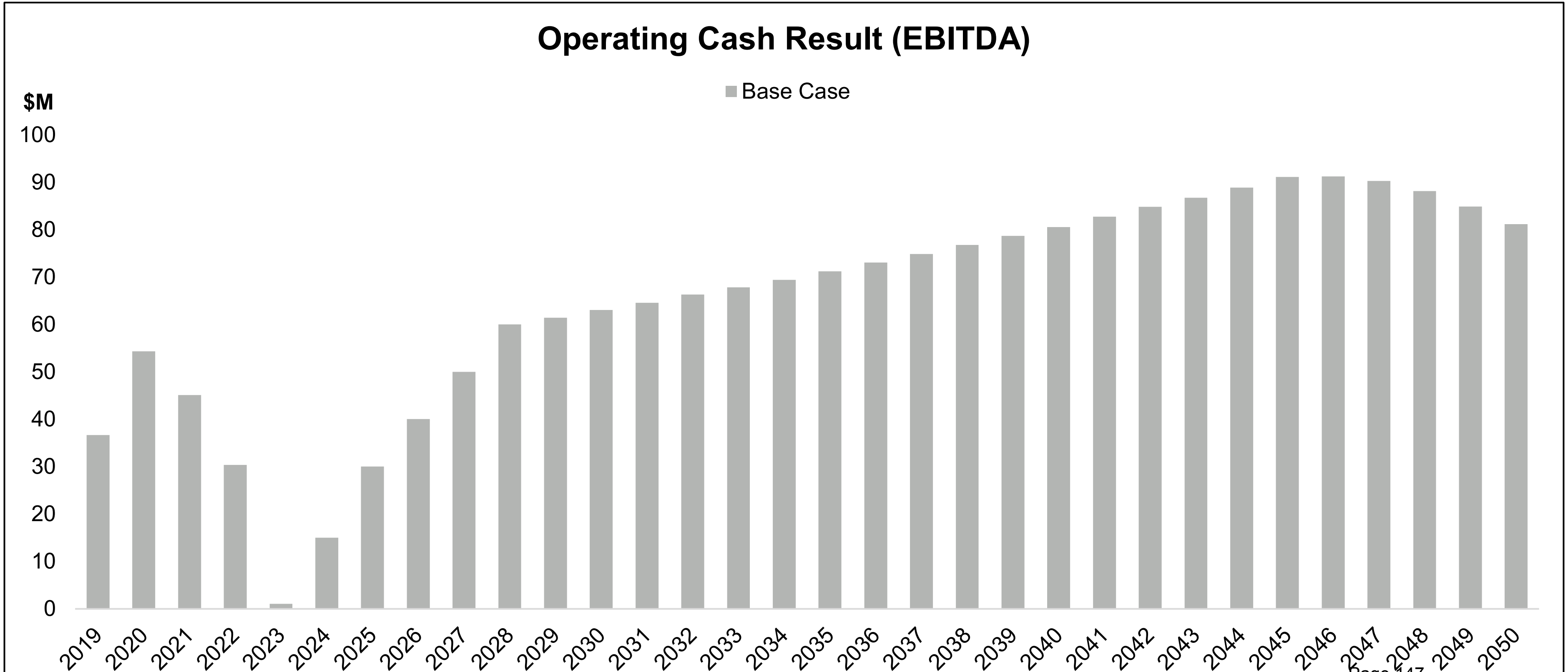
Base Case

- Modelling runs from **2024 through to 2050**
- Domestic student numbers follow **population trends**
- Accord growth (50%) starts from **2030**
- Accord funding mechanisms **maintain status quo**
- International quota means we grow to a **~20% international student mix**

We expect growth in the short-term as international students return, and in the long-term as the domestic Accord reforms take effect

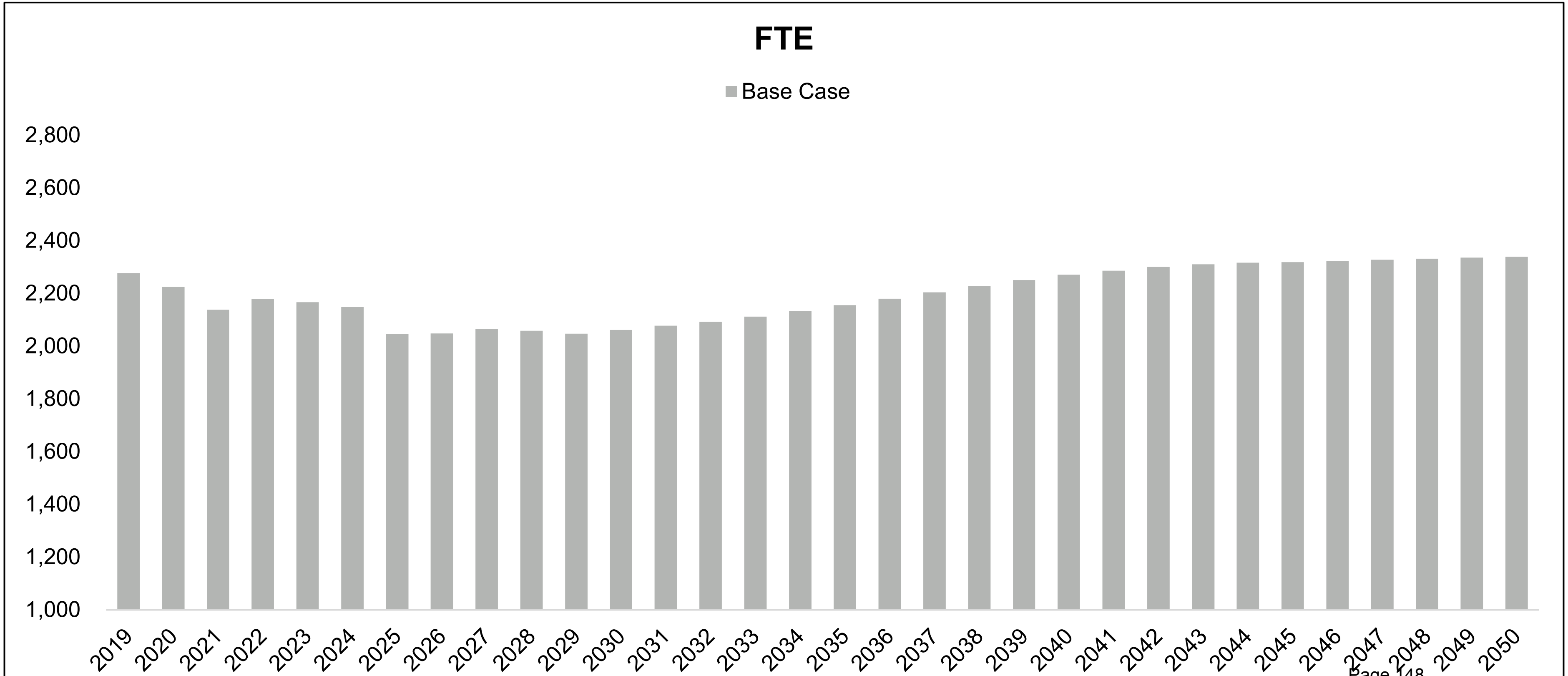


Even with a managed growth environment, we can return to a sustainable financial position in the immediate term



EBITDA and all other $ items are on a nominal basis, the increase in EBITDA over time from 2028 is related to inflation increase only

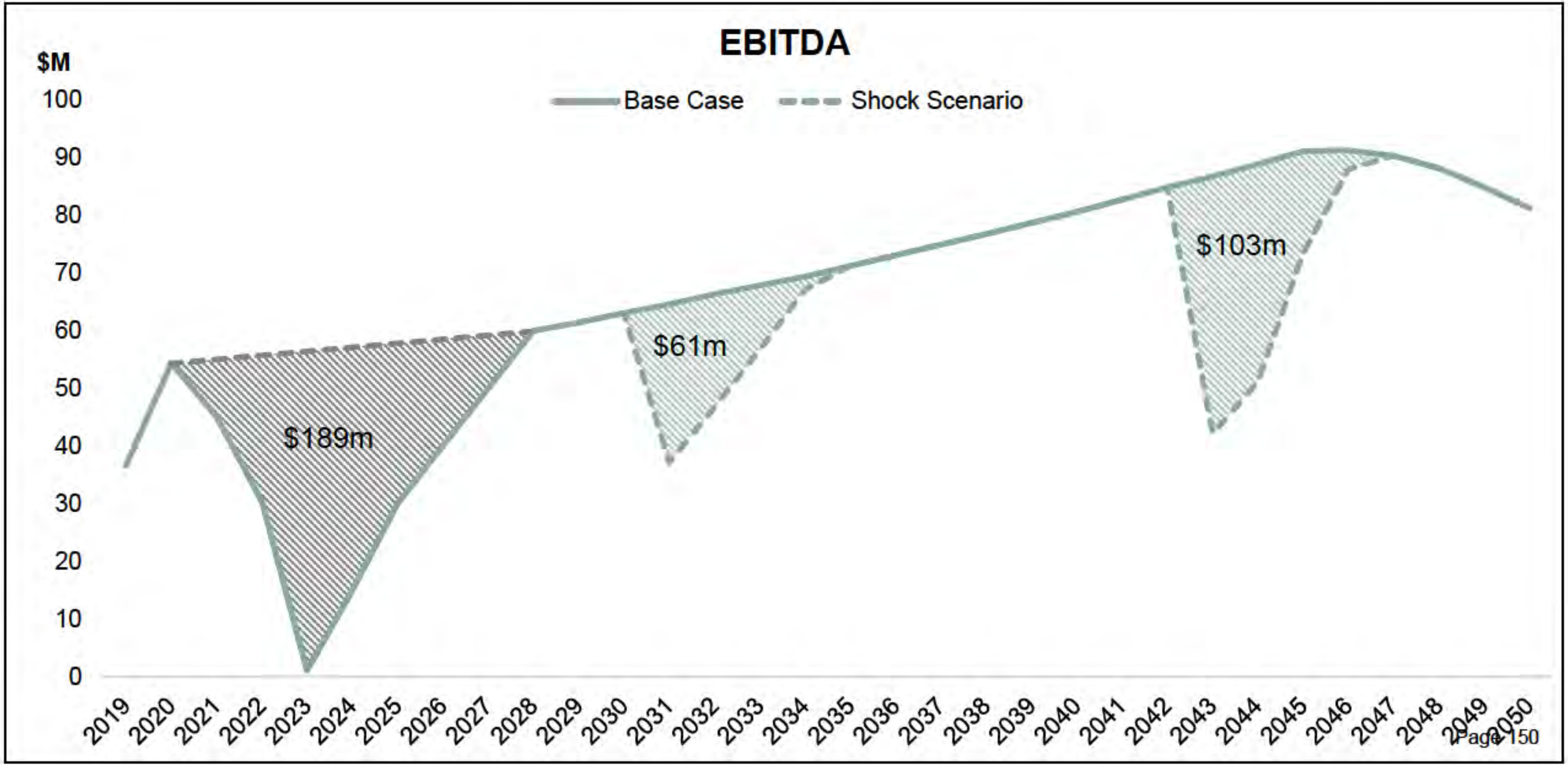
Staff growth needs to be managed carefully in the short-term, until the Accord student growth commences from 2030.



While our financial picture improves under our Base Case planning, we will need to refinance a portion of the green bond debt when it matures in 2032

Funding Model Projection *$m*	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**
Opening cash	**100.7**	**83.7**	**19.5**	**8.0**	**2.0**	**9.6**	**22.8**	**36.9**	**51.6**
Cash inflow	**91.0**	**76.1**	**46.1**	**50.1**	**60.0**	**61.5**	**63.1**	**64.6**	**66.4**
EBITDA (consolidated)	15.0	30.1	40.1	50.1	60.0	61.5	63.1	64.6	66.4
Other funding - grants etc	76.0	46.0	6.0	-	-	-	-	-	-
Cash outflow	**(184.8)**	**(175.2)**	**(57.6)**	**(56.1)**	**(52.4)**	**(48.2)**	**(49.1)**	**(49.9)**	**(52.0)**
Other net cash outflows from operations	(7.8)	(11.9)	(4.2)	(11.6)	(8.0)	(3.1)	(3.2)	(3.2)	(3.3)
Capital expenditure	(165.2)	(147.5)	(37.5)	(30.0)	(30.0)	(30.8)	(31.5)	(32.3)	(33.1)
Net interest cost (inc. lease payments)	(11.8)	(15.8)	(15.9)	(14.4)	(14.4)	(14.4)	(14.4)	(14.4)	(15.6)
Net cash position (excl. debt and investments)	**7.0**	**(15.5)**	**8.0**	**2.0**	**9.6**	**22.8**	**36.9**	**51.6**	**65.9**
Cashflow from investment drawdown	**76.7**	**35.0**	-	-	-	-	-	-	-
Closing cash surplus / (deficit)	**83.7**	**19.5**	**8.0**	**2.0**	**9.6**	**22.8**	**36.9**	**51.6**	**65.9**
Investment portfolio									
Opening balance	405.0	341.1	317.5	329.6	342.4	356.0	370.4	385.7	401.9
Investment returns	12.8	11.4	12.1	12.8	13.6	14.4	15.3	16.2	17.2
L-T portfolio investment/(drawdown)	(76.7)	(35.0)	-	-	-	-	-	-	-
Closing investment portfolio	**341.1**	**317.5**	**329.6**	**342.4**	**356.0**	**370.4**	**385.7**	**401.9**	**419.1**
Less philanthropy and research funds	(265.7)	(265.7)	(265.7)	(265.7)	(265.7)	(265.7)	(265.7)	(265.7)	(265.7)
Closing unrestricted investment portfolio	**75.4**	**51.8**	**63.9**	**76.7**	**90.3**	**104.7**	**120.0**	**136.2**	**153.4**

Planning for any unexpected shocks to the system, such as COVID, highlights the importance of maintaining an adequate investment portfolio to mitigate risks



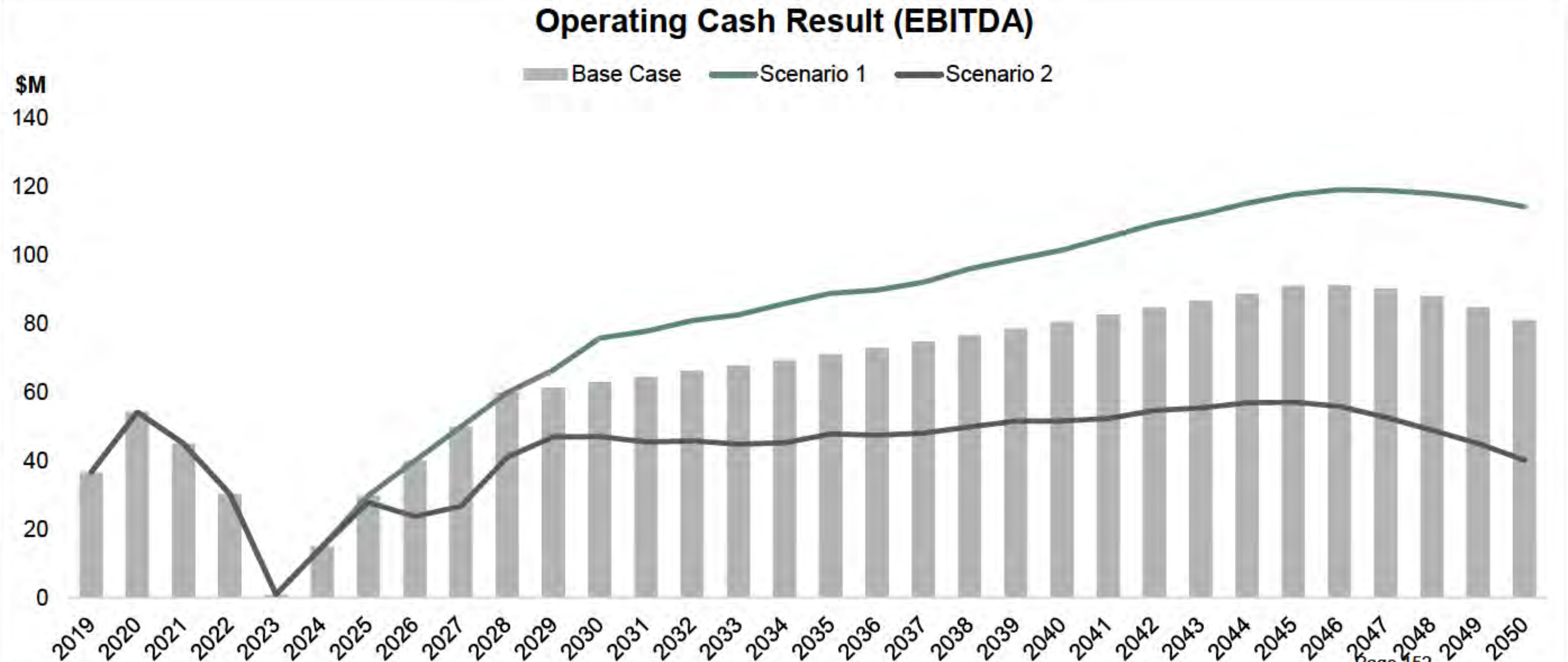
Alongside the base case, we have modelled scenarios to consider the financial impact of variations in sector policy outcomes.

Base Case
- Modelling runs from **2024 through to 2050**
- Domestic student numbers follow **population trends**
- Accord growth (50%) starts from **2030**
- Accord funding mechanisms **maintain status quo**
- International quota means we grow to a **~20% international student mix**

Scenario 1 – High International Growth (variations from Base Case)
- Increase international student mix to **~25%** (requires increased quota)

Scenario 2 – Low Growth (variations from Base Case)
- Accord growth does not start until **2035**
- Accord funding mechanisms **fall short** of current funding profile
- Unable to fill our quota due to migration challenges and settle at **~15% international mix**

It is evident the impact changing the parameters around international student growth has on our operating cash result



EBITDA and all other $ items are on a nominal basis, the increase in EBITDA over time from 2028 is related to inflation increase only

Australia’s evolving higher education policy direction aligns with the University of Tasmania’s strategic direction

As we navigate through this period of sector evolution, our financial context remains a delicate balancing act as the only university in the State

To secure our long-term financial sustainability and deliver on our mission, we need to work with the State to maximise the value of our collective assets and leverage the benefits of the new policy settings

While the base case modelling demonstrates the financial sustainability of the university, we have little room for innovation or new investments

- The modelling highlights the **importance of the Federal policy reforms** in underpinning our results

- We also do not have capacity to invest in **new STEM facilities** in the South, which are critically needed.

- We need to apply a long-term view to our **asset management**, so we have more productive assets, enabling us to achieve our education mission statewide.

- Our scenarios all require us to plan to **refinance our first Green Bond**, due to the impact of COVID and the lack of return from our Sandy Bay assets

UNIVERSITY of TASMANIA

Thank you

UNIVERSITY of TASMANIA

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

By email: 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 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

[redacted]

Professor Rufus Black
Vice-Chancellor

13 September 2024

Office of the Vice-Chancellor

University of Tasmania
Private Bag 51
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Australia

T +61 3 6226 2003
E Vice.Chancellor@utas.edu.au

CRICOS Provider Code 00586B | ARBN 055 647 848 ABN 30 764 374 782

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.

UNIVERSITY of TASMANIA

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)?

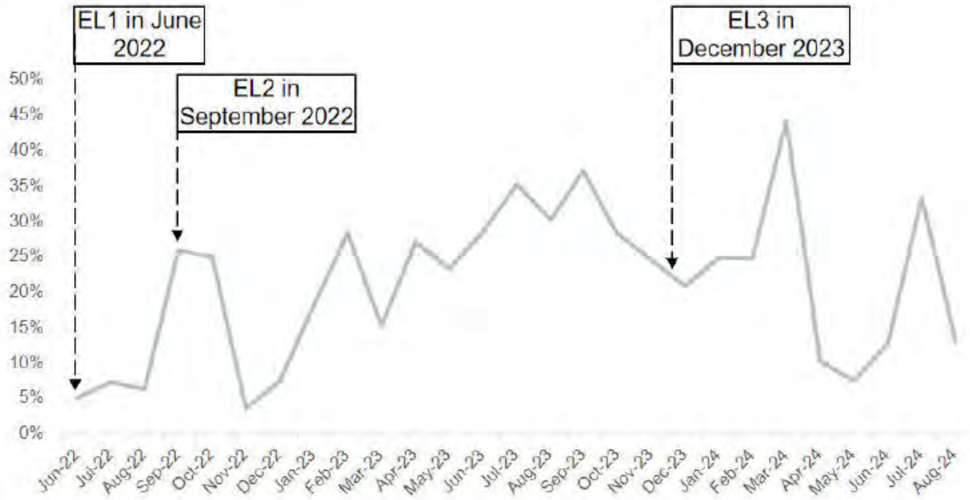
The Department of Home Affairs provide monthly rolling reports to education providers detailing visa applications, cancellations and rejections for the previous 12-month period.

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.

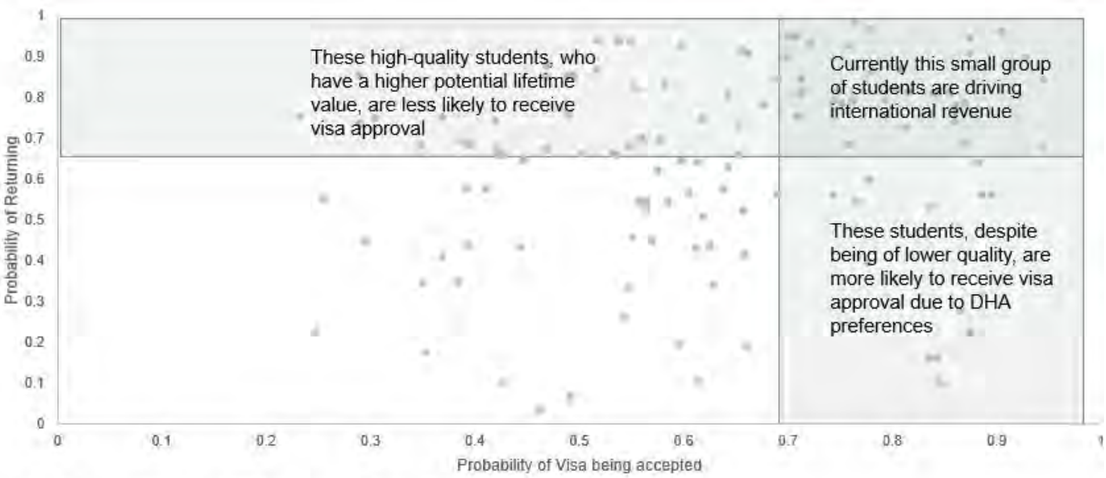
Unfortunately, the slowdown in processing times introduced as part of Ministerial Direction 107 for EL3 providers in December 2023 was not known when the strategic decision was made. Now we are experiencing the inefficiencies of the current system we are aiming to return to EL2 in the coming months.

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.

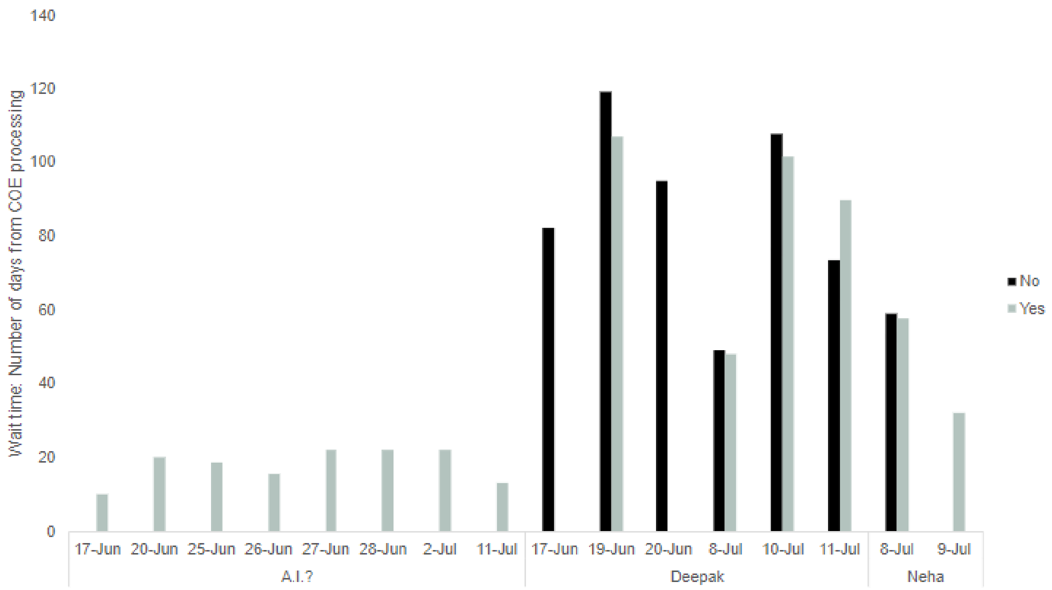
Figure 3: Example estimated probability of visa being accepted and returning for a second semester for selected students from high-risk countries



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)

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 15th 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.

UNIVERSITY of TASMANIA

From: Jane Beaumont
Sent: Thursday, July 8, 2021 6:27 PM
[redacted]
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.

<u>Prohibition on securitisation under the PBSA Agreement</u>

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.

<u>Overview of PBSA Agreement:</u>

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
FGIA FCG (Chartered Secretary)
University of Tasmania
P: [redacted]
M: [redacted]
E: [redacted]

UNIVERSITY of TASMANIA

CRICOS 00586B

From: Heath Baker [redacted]
Sent: Tuesday, 6 July 2021 10:36 AM
[redacted]
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
114 Murray Street, Hobart TAS 7000
Phone: [redacted]
Mobile: [redacted]

UNIVERSITY *of* **TASMANIA**

UNIVERSITY *of* TASMANIA

OFFICE OF THE VICE-CHANCELLOR

The Hon Peter Gutwein
Treasurer
9th floor, Executive Building
15 Murray Street
HOBART TAS 7001

Email: peter.gutwein@parliament.tas.gov.au

Dear ~~Treasurer~~ Peter,

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 [redacted] or email: [redacted]

Yours sincerely

[redacted]

Professor Peter Rathjen
Vice-Chancellor

20 June 2017

University of Tasmania
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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.

UNIVERSITY of TASMANIA

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
Total	**1753**			

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

Professional FTE : Academic FTE	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Professional - Full time equivalent staff (FTE) [1]	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) [1]	1,168	1,196	1,214	1,252	1,249	1,264	1,308	1,335	1,306	1,309	1,318
Professional FTE : Academic FTE	**1.26**	**1.30**	**1.25**	**1.23**	**1.26**	**1.31**	**1.31**	**1.22**	**1.22**	**1.27**	**1.28**

[1] *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.

EFTSL : FTE	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Full time equivalent staff (FTE) [1]	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) [2]	17,251	17,993	18,834	20,090	20,834	20,251	20,727	22,608	20,006	18,001	16,920
EFTSL : FTE	**6.5**	**6.5**	**6.9**	**7.2**	**7.4**	**6.9**	**6.9**	**7.6**	**6.9**	**6.1**	**5.6**

[1] *Includes all Operating, Research & Institutes and casuals*
[2] *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.

EFTSL : Academic FTE	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Academic - Full time equivalent staff (FTE) [1]	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) [2]	17,251	17,993	18,834	20,090	20,834	20,251	20,727	22,608	20,006	18,001	16,920
EFTSL : Academic FTE	**14.8**	**15.0**	**15.5**	**16.1**	**16.7**	**16.0**	**15.8**	**16.9**	**15.3**	**13.8**	**12.8**

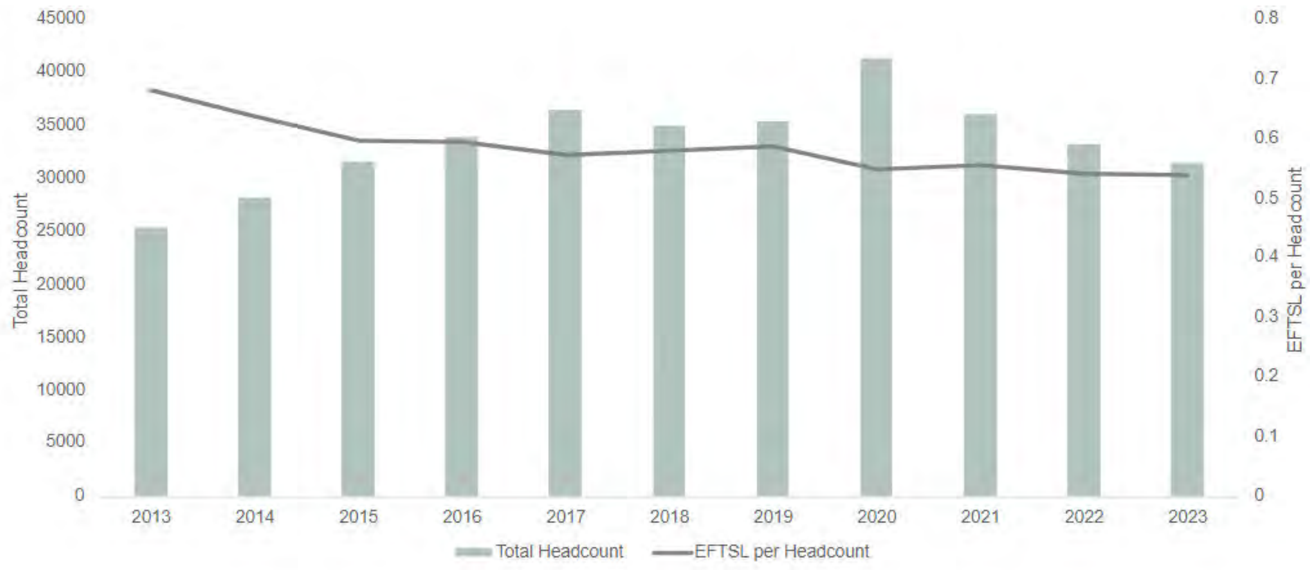
[1] Includes all Operating, Research & Institutes and casuals
[2] Excludes off-shore

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.

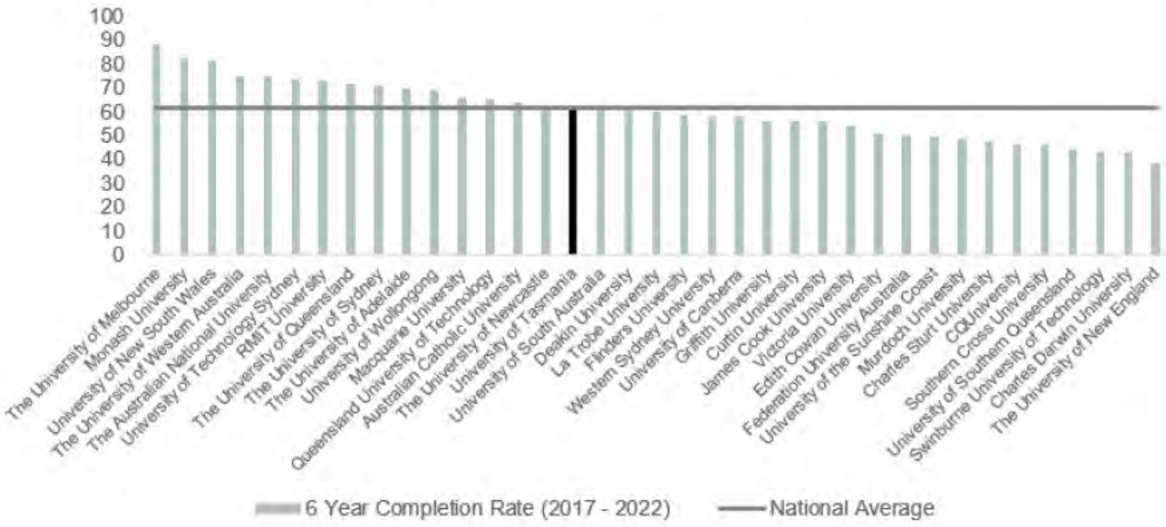
While challenging financially, our lower than sector EFTSL to Academic FTE ratio is positive for student experience, and an expected outcome of our commitment to regional course delivery. The University of Tasmania has a long-term commitment to improving educational access for regional students across 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



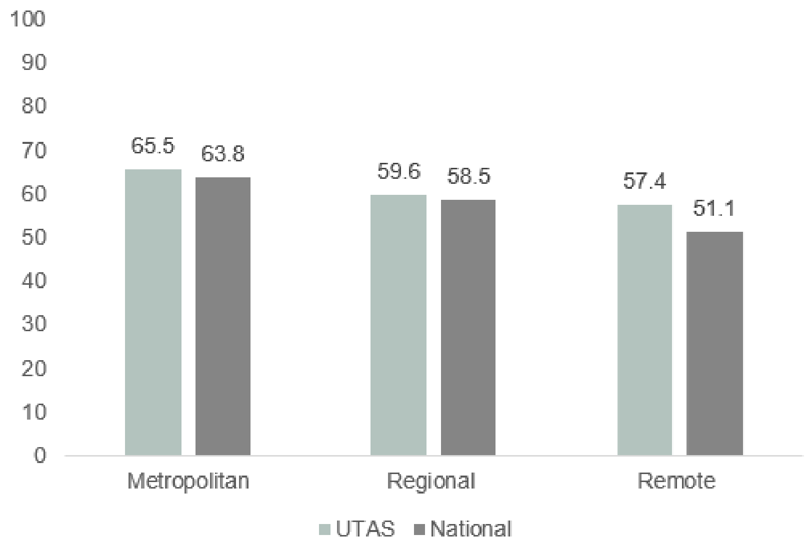
Selected Higher Education Statistics – 2022 Student data, Department of Education
https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2022-student-data

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).

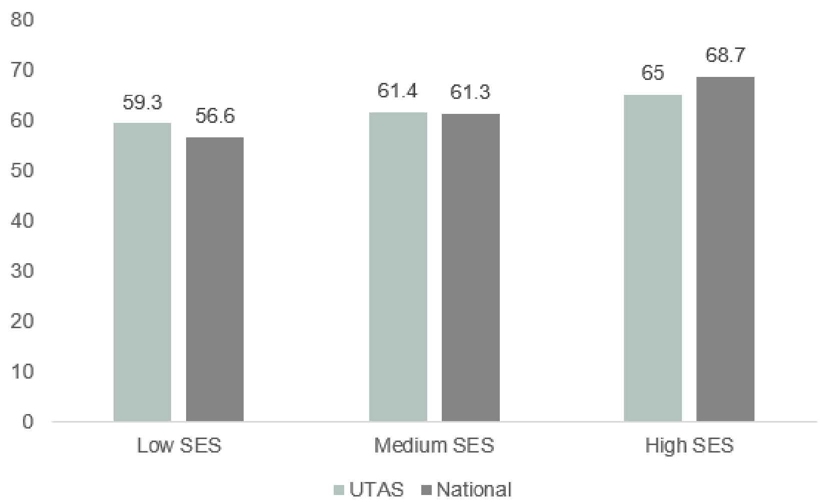
Figure 7: National 6 year completion rate by regionality, 2016



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 enrols 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)



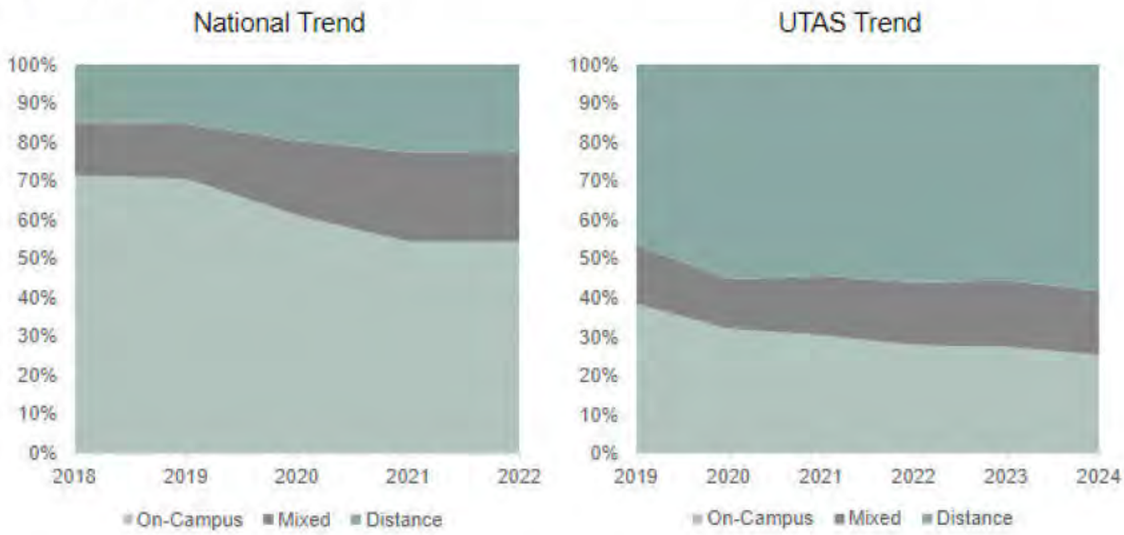
Selected Higher Education Statistics – 2021 Student data, Department of Education
https://www.education.gov.au/higher-education-statistics/student-data/selected-higher-education-statistics-2021-student-data

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.

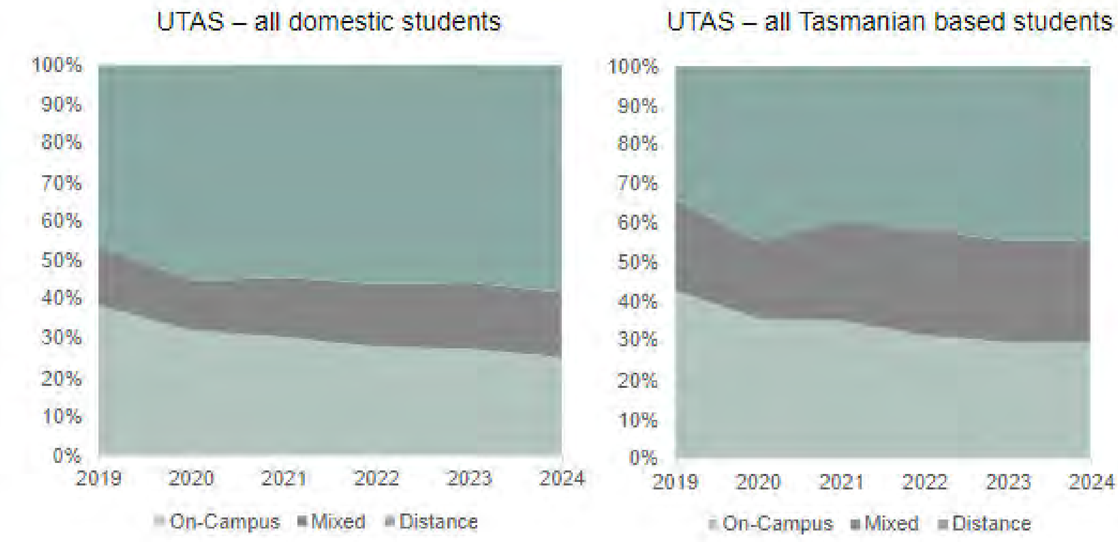
The University of Tasmania has a higher proportion of students studying by distance and mixed mode, compared to the national trend - as shown in Figure 9. For University of Tasmania students who live in Tasmania, the proportion of students studying by distance is much lower than the total student cohort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

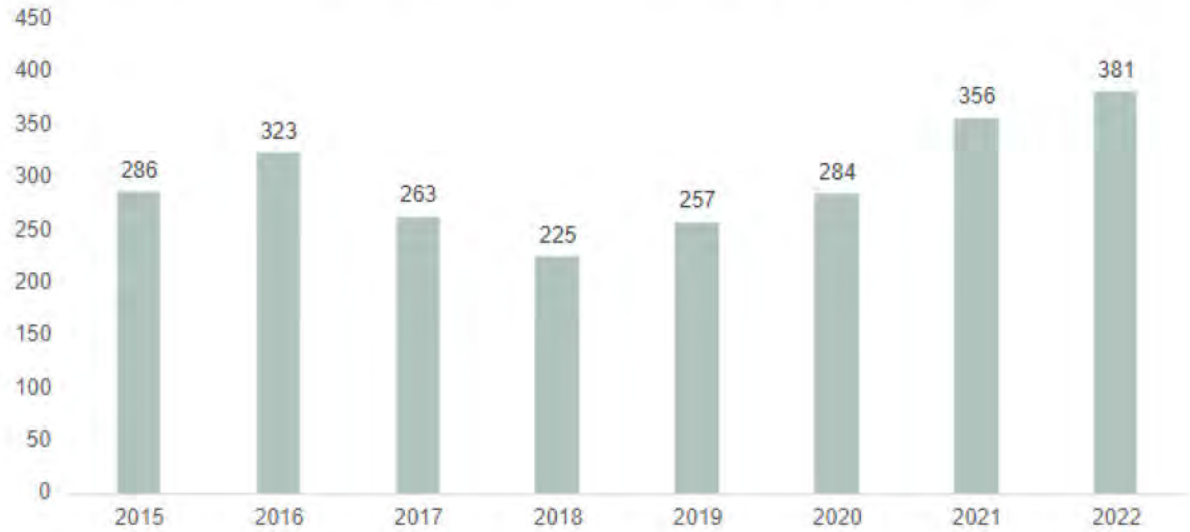
Question 10: Any data on potential students who leave Tasmania to study elsewhere and subsequently come back to UTAS.

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).

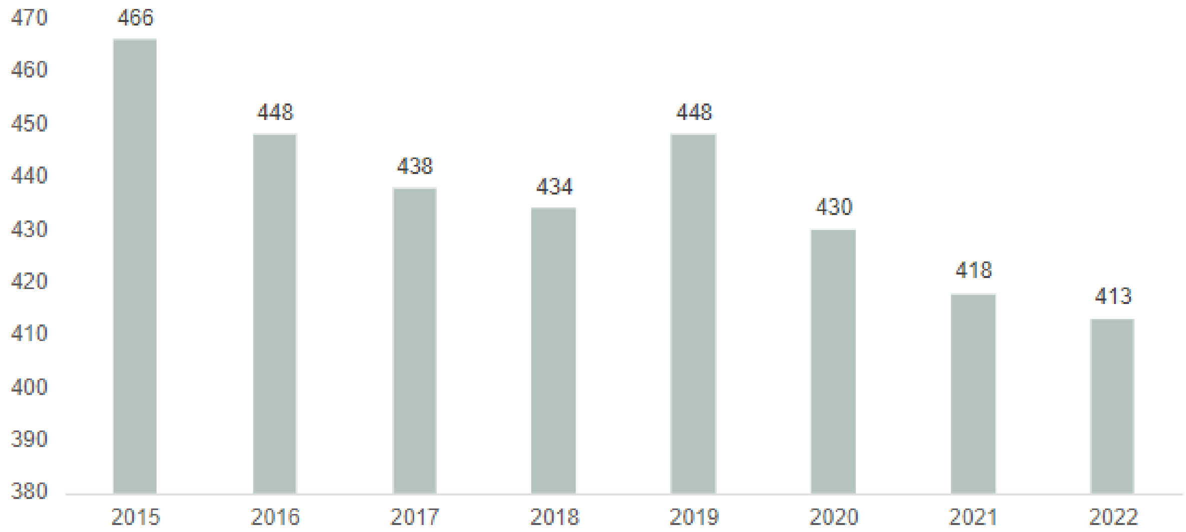
Figure 11: Number of interstate year 12 leavers commencing study at UTAS, 2015 – 2022



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).

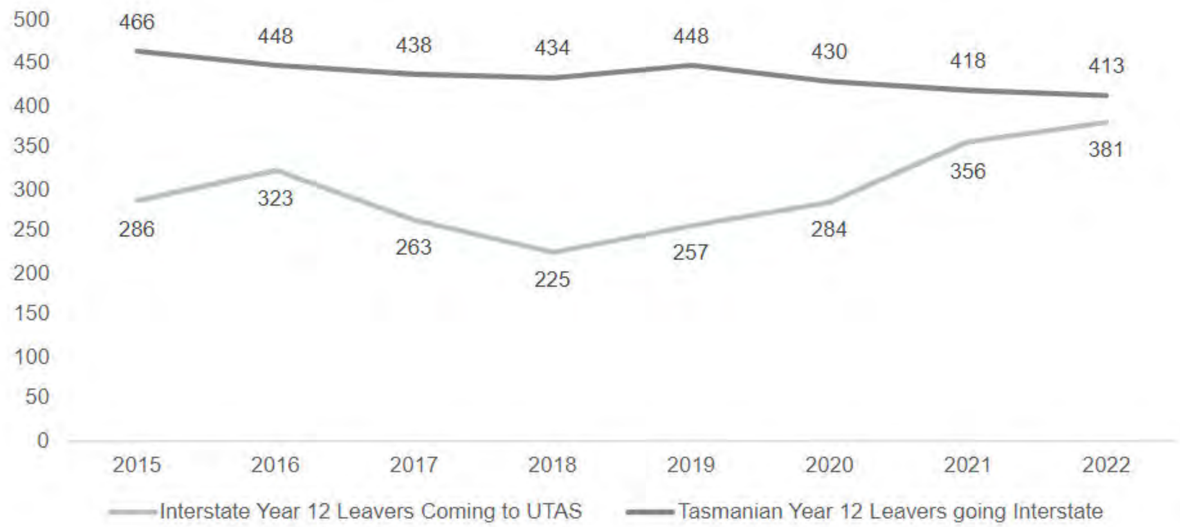
Figure 12: Number of Tasmanian year 12 leavers commencing study interstate, 2015 – 2022



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.

UNIVERSITY of TASMANIA

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 5th 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.

MOODY'S RATINGS

CREDIT OPINION
5 August 2024

Update

Send Your Feedback

RATINGS

University of Tasmania

Domicile	Australia
Long Term Rating	Aa2
Type	LT Issuer Rating - Fgn Curr
Outlook	Negative

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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University of Tasmania (Australia)

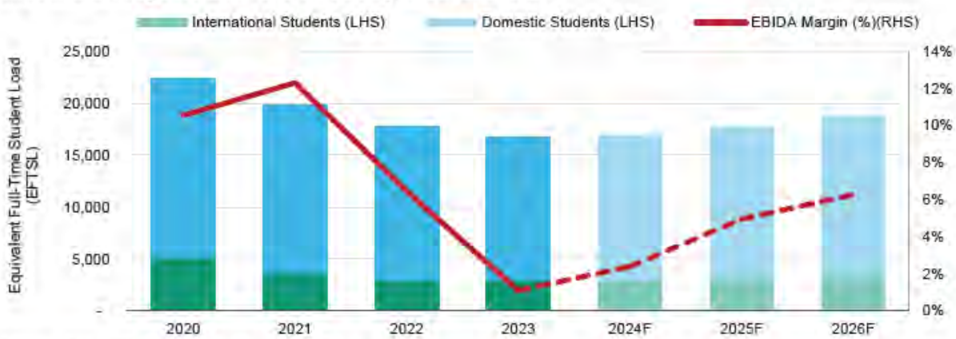
Update following outlook change to negative

Summary

The University of Tasmania's ('UTAS' 'the University', Aa2 negative) credit profile reflects its strong financial resources and liquidity and modest leverage compared to its peers, notwithstanding a prospective structural weakening of intrinsic financial strength that has driven a revision of the outlook to negative from stable. The University's strategic position and niche offering in the state of Tasmania ('the State', Tasmanian Public Finance Corporation, Aa2 Stable), as well as the supportive institutional framework for Australian universities through close ties with the Government of Australia ('the Commonwealth' Aaa Stable) provide further support for the credit. A challenging operating environment drove a narrowing of EBIDA margins to 1.1% in fiscal 2023 (fiscal year ended 31 December), significantly below the historical average of 9.9% recorded in the preceding five-year period, correspondingly weakening the University's debt service coverage ratio[1] (DSCR) to 0.5x-- in other words, net operating income was insufficient to cover interest payments--from an average of 9.8x between 2018 and 2022.

Exhibit 1

EBIDA margins will progressively increase as overall student enrollments steadily recover over the next three years and cost inflation pressures abate



Sources: University of Tasmania, Moody's Ratings

Credit strengths

» Strong institutional framework and funding support

» Distinctive research capabilities and operating ties with the State and Commonwealth

Credit challenges

» Weak EBIDA margins and debt service coverage, reflecting elevated operating costs and weak demographics that increase reliance on interstate and international students

» Risk associated with the planned relocation of the Sandy Bay Campus; albeit partly mitigated by strong cash and investments

Rating outlook

The rating outlook is negative, reflecting uncertainties surrounding the effectiveness of the University's cost stabilization measures and the revival of enrollment trends amid a lackluster global and Australian economic outlook.

Factors that could lead to an upgrade

Notwithstanding the execution risks faced by UTAS in rebuilding its operating margins, a sustained recovery in EBIDA margins to a level above 5% by end 2025 would likely result in the outlook returning to stable.

While the negative outlook indicates an upgrade is unlikely in the near term, over time we could upgrade the ratings in the event we saw a material increase in UTAS' holdings of total cash and investments that bolster its liquidity profile, and a sustained improvement in the University's EBIDA margins, which could stem from effective cost controls and robust revenue growth.

Factors that could lead to a downgrade

Downward pressure on the ratings would be driven by a significant deterioration in financial performance, reflected in: sustained lower EBIDA margins, which could arise from the ineffectiveness of efforts to control costs and recover revenue; materially higher levels of total adjusted debt beyond our projections, which could arise from delays, cost overruns or risk management practices proving less effective than assumed in delivering the Southern campus transformation plans; and/or a deterioration in UTAS' internal liquidity levels.

We could downgrade the rating if we believe there is a reduced likelihood of extraordinary financial support from the Commonwealth or if the creditworthiness of the Australian sovereign weakens.

Key indicators

Exhibit 2

University of Tasmania

Year ended 31 December

As of 31 December	2021	2022	2023	2024F	2025F	2026F
Operating Revenue (AUD'000) [1]	693,991	678,533	674,662	703,087	741,741	772,853
EBIDA Margin (%)	12.3%	6.5%	1.1%	2.4%	5.0%	6.3%
Total Cash and Investments (AUD'000)	507,162	676,521	526,224	478,021	442,199	441,584
Total Cash and Investments to Operating Expenses (x)	0.76	0.97	0.71	0.63	0.57	0.55
Total Cash and Investments to Total Adjusted Debt (x)	1.89	1.26	1.00	0.90	0.79	0.84
Annual Debt Service Coverage (x)	7.65	3.82	0.50	1.16	2.53	3.34

Operating revenue is net of scholarship expenses and is adjusted to smooth investment returns. 2024F-2026F denotes Moody's forecasts and not the view of the issuer

Sources: University of Tasmania, Moody's Financial Metrics and Moody's Ratings estimates

Detailed credit considerations

University of Tasmania's ratings combine: (1) a baseline credit assessment ('BCA') of a1, and (2) a high likelihood of extraordinary support from the Commonwealth in the event of acute liquidity stress.

The University's ratings are influenced by its strong standalone credit profile (reflected in the a1 BCA) which is underpinned by strong financial resources and liquidity metrics and modest leverage; albeit this is partly offset by elevated cost pressures and softer enrollments.

Baseline credit assessment

Strong institutional framework and funding support

UTAS benefits from a stable institutional framework for higher education in Australia, including secure funding levels and strong oversight. Both the Commonwealth and state governments play important roles in the governance of Australia's public universities, which are established under state legislation and remain statutory authorities of the states.

Under this framework, UTAS receives secure and predictable grants from the Commonwealth, with around 68.5% of 2023 operating revenues coming from government transfers and grants; a figure we expect to remain above 65% for the foreseeable future.

In contrast to its domestic peers, UTAS continues to benefit from a strong level of capital funding support from government, which reflects its very close ties to the Commonwealth and the State, which also incorporates the University's role in state policy implementation, including its role as the sole source of state-trained nurses, doctors and teachers.

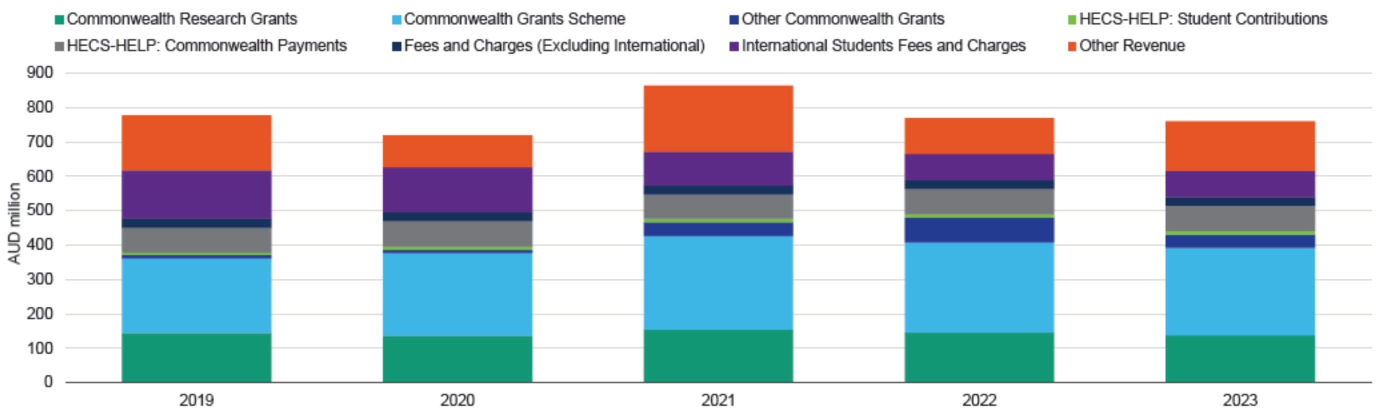
The University has also received capital grants from the Commonwealth to fund its large capital spending program. The Commonwealth government also monitors the financial performance of universities, focusing on operating results, liquidity and capital management.

The State provides funding support to the University through research and capital grants, and nominates two of the 13 members in the University's Council[2], each of whom must not be a student or member of the academic staff or professional staff and of whom at least one must be a graduate of the University in accordance with the University of Tasmania Act 1992[3]

State oversight of UTAS also includes the Tasmanian Auditor-General conducting the annual statutory audit of the University's financial statements and the need to obtain written approval from the State Treasurer to exercise its power to borrow money.

Exhibit 3

Commonwealth funding (including Higher Education Contribution Scheme[4] (HECS) revenues) remain a significant portion of UTAS' total revenue base



Unadjusted revenue. Other revenue include investment income
Sources: University of Tasmania, Moody's Ratings

The Australian government continues to strengthen its investment in higher education, evidenced by the Universities Accord[5] which targets to increase the tertiary attainment rate for working age Australians from currently around 60% to at least 80% by 2050. To facilitate this reform, an investment of AUD1.1 billion is committed over the next five years. While the overall government spending on tertiary education could increase if the Accord is implemented, it's uncertain what UTAS will receive in terms of higher funding support as the new funding models for education and research are still in the development phase.

If fully implemented as proposed, we expect the Accord could weaken universities' governance and operating conditions, which would be credit negative[6]. However, the Accord poses no immediate credit concern on UTAS given the implementation of the proposals will take some time.

We expect that the Commonwealth will remain a key supporter of the university sector, given the sector's importance to the national and regional economies and government policy goals.

Distinctive research capabilities and operating ties with the State and Commonwealth

As the sole university located on the island state of Tasmania, UTAS plays a unique role in government operations and public policy formulation. This is exemplified by the responsibilities it undertakes on behalf of the state, such as conducting reviews and research proposals on issues such as state law reforms under the aegis of the Tasmania Law Reform Institute Renewal Agreement. During the

COVID-19 pandemic, UTAS played a pivotal role in the developing of Tasmania's response, including the secondment of 30 full-time staff to the state and formulating the Premier's Economic and Social Recovery Advisory Council.

UTAS' close ties with the government extend to management of fisheries and biohazards, highlighting the diverse and unique partnership between UTAS and the state. It stands as the second largest employer in the state, trailing only the Tasmanian government, and is the sole provider of state trained nurses, doctors and teachers.

UTAS also exhibits an excellent record of predictable Higher Education Research Data Collection (HERDC) reportable research income from the Federal Government, predominantly through competitive grants, combined with consistent block grant funding from government to support research and research training. Importantly, the University's research funding model is not reliant on cross-subsidization of international students, and as such remained strong during the pandemic.

Complementing its local and regional position, UTAS has achieved national and international recognition for its niche research capabilities in specialized areas including agriculture, marine and maritime studies, as well as Antarctic research, providing important sources of diverse revenue and boosting its global reputation.

The state's unique geographic locations plays in important part in this research specialization, with Hobart serving as Australia's gateway to Antarctica and the Great Southern Ocean. The University is home to the Australian Maritime College (AMC) and the Institute for Marine and Antarctic Studies (IMAS) which allows it to achieve a distinctive level of integration with government agencies such as the Australian Antarctic Division (AAD) and the Commonwealth Scientific and Industrial Research Organization (CSIRO).

The collaboration includes the Antarctic Gateway Partnership[7], a Commonwealth funded initiative that aims to reinforce Tasmania's recognition as a global leader in Antarctic and Southern Ocean science and as a gateway for Antarctic research, education, innovation and logistics.

With these developments UTAS will continue to maintain high levels of cooperation with government agencies and serve an important role in the fulfillment of national strategic priorities in the Australian Antarctic Strategy and 20 Year Action Plan to advance Australian interests in Antarctica.

This bespoke relationship with all levels of government and government agencies, combined with its distinct offerings, will continue to solidify the University's unique social, economic and political position and enhance its appeal to both domestic and international students.

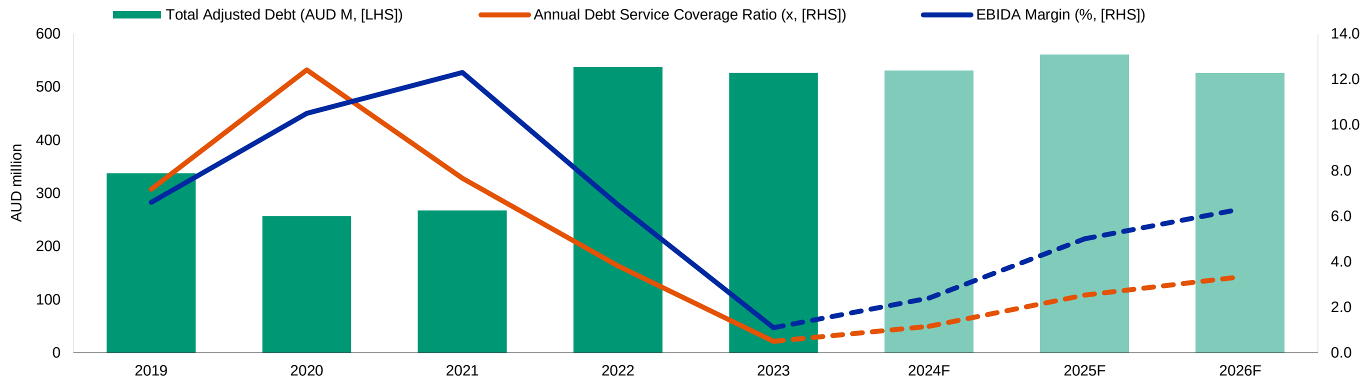
Weak EBIDA margins and debt service coverage, reflecting elevated operating costs and weak demographics that increase reliance on interstate and international students

A challenging operating environment in 2023 drove the deterioration in the University's operating margins, largely driven by a 6.6% decline in domestic student enrollment, reflecting low unemployment and escalated cost of living pressures that have raised the opportunity cost of pursuing higher education in Australia, exacerbated by changes to Australia's migration policy that saw a slowdown in visa processing that led to slight 1.1% decline in international student numbers.

Elevated inflation pressures, particularly wages and salaries on the completion of wage negotiation agreements - AUD460.3 million in 2023, up from AUD432.9 million in 2022 - prompted UTAS to implement various costs management initiatives, including managing payroll through natural attrition and streamlining administrative and governance processes, as well as targeting the sale of non-core assets to strengthen liquidity in the short term.

We project EBIDA will recover to 2.4% in 2024 (from 1.1% in 2023) before increasing to 5.0% in 2025 and stabilizing in the mid-to-high single digits over the medium-term; lower than similarly rated domestic peers reflecting the University's higher cost base and multi campus operating model[8]. This partly reflects cost stabilization measures as well as an expected recovery in domestic and international enrollments over the next 2-3 years. We understand Semester 1 2024 domestic enrollments increased around 10%.

Exhibit 4
International and domestic enrollments will experience steady growth over the next 2-3 years supporting the recovery in margins and debt affordability



Sources: University of Tasmania, Moody's Ratings

Similarly, our central scenario forecasts a marked improvement in UTAS' annual debt service coverage ratio, improving to 1.2x in 2024, 2.5x in 2025 and 3.3x in 2026. By 2026, these levels are consistent with an equivalent Aa outcome for sub-factor 5.2 under our Higher Education Methodology, compared with 0.5x in 2023 which reflects an equivalent outcome of Ba.

Despite the sustained reversal of the deterioration in intrinsic financial strength suggested by our forecasts, our negative outlook reflects uncertainties surrounding the effectiveness of the University's countermeasures to stabilize costs and revive enrolment growth, especially given the lackluster global and Australian economic outlook over the next two to three years.

The University had a AUD2.5 million net liability for unfunded superannuation liabilities[9] as at 31 December 2023, which is also included in our total adjusted debt calculations.

Risks associated with the planned relocation of the Sandy Bay Campus; albeit partly mitigated by strong cash and investments

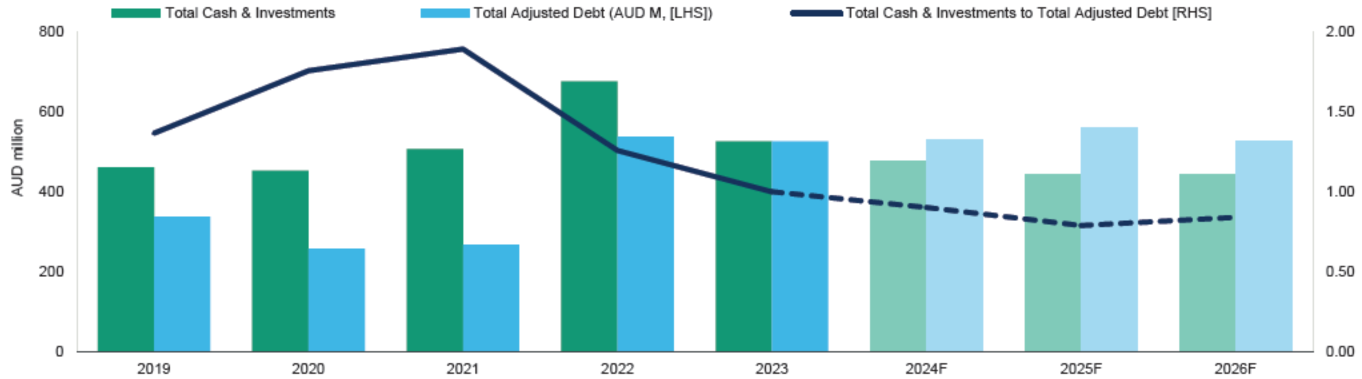
The AUD368 million Northern Transformation (both Inveresk and Cradle Coast campuses) is expected to be completed in the second half of 2024 and will leave UTAS well positioned to focus on its ongoing southern campus program. The University has a strong track record and well-established protocols in managing large capital spending programs, with the majority of projects over the past 10 years delivered on time and on budget.

While UTAS retains strong wealth metrics, we expect its' risk management culture and framework will be of increasing importance as it proceeds with the southern campus program, amidst a challenging fiscal and macroeconomic landscape as well as emerging social risks as it manages the shift from Sandy Bay to the Hobart CBD over time.

Our central scenario assumes total adjusted debt will likely rise over the next 3-4 years as the University makes progress on the southern campus program projects. We expect this will be reflected through a modest increase in UTAS' stock of debt borrowings or a partial shift to a capital-lite strategy via a potential sale and leaseback of some southern campus program properties with long term rental leases. The ongoing monetisation of surplus non-core assets within the broader southern campus program plan remains a part mitigant for a higher debt burden (see exhibit 5).

Exhibit 5

Strong government support underpinned the Northern Campus Transformation and enables capacity to fund the southern campus transformation



Sources: University of Tasmania, Moody's Ratings

The University's ongoing commitment to maintaining robust risk management practices and a proven track record of strong risk management culture is a positive indicator in our assessment of UTAS' ability to navigate and mitigate potential risks effectively.

Exhibit 6

Risk of delays and overruns for UTAS' capital plans are managed by a dedicated project team assigned to each build

Project Managers	Project Teams	Contract Management	Change Management
» Dedicated Project Managers responsible to monitor project delivery	» Project Team for North and South meet on a weekly basis	» Legal contracts in place for all architect and construction firm engagements	» Buildings are delivered during semester break to minimise disruption
» Each project is supported by the Transformation team, including (i) Legal (ii) Finance (iii) Change Management (iv) Comms & Engagement	» Constant monitoring of emerging risks via Status Reports	» Formal contract review process managed by Legal and Procurement Teams	» Early engagement of staff and students in technical working groups guide building designs
	» Key issues documented in Briefing Papers for Transformation Working Group review and approval	» Quantity Surveyor actively engaged in each project from early stage to monitor costs	» Prototype office established in Burnie and planned for Launceston and Hobart
			» Weekly engagement with staff leadership via University Strategic Forum

Sources: University of Tasmania, Moody's Ratings

We note growing social risks amid some community resistance to the eventual decant, and sale, of the Sandy Bay campus. While this may delay or result in a modification to the overall southern campus program, we consider the University is well placed to managed these risks.

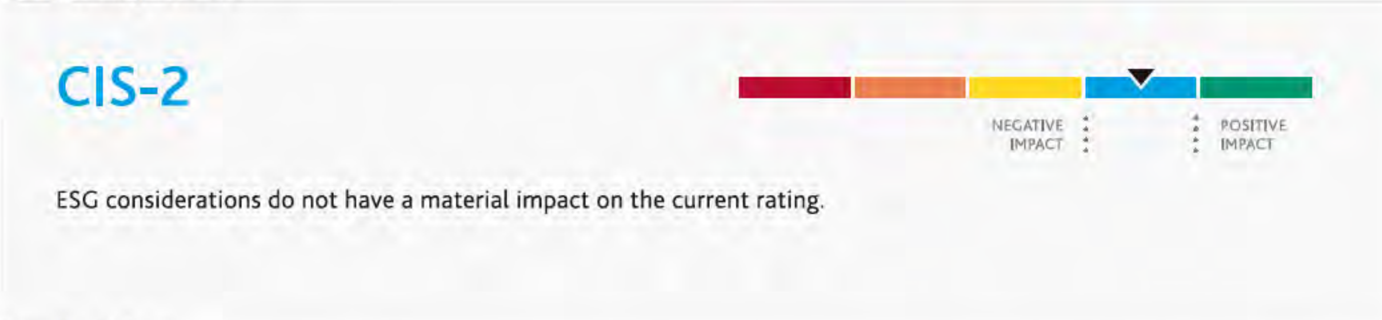
Extraordinary support considerations

We take into account a high likelihood of extraordinary support from the Government of Australia, which reflects our assessment of the risks posed to the Commonwealth's financial reputation if the University were to experience acute liquidity stress. We also factor in a very high default dependence level to reflect the relatively large proportion of revenue derived from Commonwealth grants.

ESG considerations

University of Tasmania's ESG credit impact score is CIS-2

Exhibit 7
ESG credit impact score



Source: Moody's Ratings

The University of Tasmania's **CIS-2** ESG Credit Impact Score indicates that ESG considerations are not material to the rating.

Exhibit 8
ESG issuer profile scores

Source: Moody's Ratings

Environmental

The University of Tasmania's **E-2** reflects the absence of meaningful risks across all environmental factors that we monitor. Environmental issues and sustainability are a key element in the University's mission and forms one of the six core outcome measures embedded in UTAS' Strategic Plan 2019-2024. The Plan includes actions and research on responsible use of agricultural resources and sustainable management of ecosystems, reducing carbon emissions and preserving oceans, promoting sustainable fisheries and aquaculture, as well as reducing waste and pollution. The state's unique geographical location as Australia's gateway to Antarctica and the Great Southern Ocean combines with the university's Australian Maritime College (AMC) and Institute for Marine and Antarctic Studies (IMAS) to consolidate a distinctive level of integration with government and government agencies, such as the Australian Antarctic Division (AAD) and the Commonwealth Scientific and Industrial Research Organization. Consistent with its focus on researching physical climate risk and environmental sustainability, the University's investment funds have fully divested all fossil fuels and have a clear mandate to invest in climate friendly industries of the future. UTAS' issuance of a green bond further reflects their emphasis on environmental sustainability.

Social

While the **S-3** social IPS reflects long-term demographic risks that are common to the Australian higher education sector, such risks are more pronounced for the University relative to its peers on the mainland given its relatively small domestic catchment that has traditionally increased its reliance on interstate and international students. Consistent with the Strategic Plan, UTAS has focused student recruitment strategies with distinctive offerings which centers on market diversification and online offerings (UTAS has the 4th largest online offering in Australia). Partly offsetting this, UTAS benefits from its role as a key tool to develop and implement state policy, conducting reviews and research proposals for law reform as well as various partnerships including management of fisheries and biohazards.

Governance

The University of Tasmania's **G-2** governance IPS indicate that governance risks are not currently material to its credit profile. It is full aligned with the general standards of governance and the robust institutional framework for the higher education sector in Australia, recognizing the Commonwealth and state governments play important roles in legislating and monitoring governance of the sector. Data transparency is very high, with all material legislation, University statutes and policies published on its website, along with capital plans and accounts. UTAS is exposed to extensive governance, procurement and execution risks as it progresses on its Northern and Southern campus transformation plans. In mitigation of these risks, UTAS has established a good record in delivering projects on time and on budget which are underpinned by robust governance and risk management processes with oversight at the highest levels of the university, including projects being managed by dedicated steering committees chaired by the Vice-Chancellor. Nevertheless, the effectiveness of ongoing measures to reverse the recent deterioration in its financial performance could weigh on our broader assessment of governance going forward.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Profile

Founded in 1890, UTAS is the sole provider of higher education located in the state of Tasmania and was established in its current form under the University of Tasmania Act 1992 following integration with the Tasmanian State Institute of Technology in Launceston which became the Newnham Campus. In 1995, a new campus at Burnie on the North-West Coast was opened, which later became known as the Cradle Coast Campus.

The university is world renowned for its research at the Institute for Marine and Antarctic Studies (IMAS) in Hobart, and the Australian Maritime College (AMC) in Launceston. UTAS' key areas of distinction are in marine and freshwater biology (ranked fourth globally) as well as fisheries and oceanography (ranked seventh globally), which are underpinned by Tasmania's geographic proximity to the Great Southern Ocean and the Antarctic. This positions UTAS as a global polar research hub.

UTAS' 2019-2024 Strategic Plan is centred on six key outcomes[10] that are structured to make an impact for and from Tasmania. The Strategic Plan noted more than half the university's students were not 'school leavers' and had to balance study alongside work and other commitments. Concomitantly, UTAS and state government recognized the state's decentralised population and the need to deepen collaboration with schools as well as enhance the university's regional access, improve pathways and tailor offerings (e.g., short-courses and associate degrees).

During the pandemic, it became apparent that the Strategic Plan addressed many of the challenges faced as a result of COVID, with the university well-placed to accelerate the rollout of the strategy, including making UTAS a more differentiated offering that is easier to navigate, supported by a simpler organization.

UTAS Sydney campus includes the Rozelle campus, offering nursing, paramedic and health management education, all in partnership with local hospitals and health service providers. It occupies space, owned by Sydney Local Health District, in part of Callan Park.

Rating methodology and scorecard factors

In the case of the UTAS, the scorecard matrix generates an estimated BCA of a2 which close to the BCA of a1 assigned by the rating committee.

The principal methodologies used in these ratings were Higher Education Methodology published in July 2024 and Government-Related Issuers Methodology published in January 2024. Alternatively, please see the Rating Methodologies page on www.moodys.com for a copy of these methodologies.

The Scorecard-Indicated Outcome, which generate estimated BCAs from a set of qualitative and quantitative credit metrics, are tools used by the rating committee in assessing Higher Education stand-alone credit quality. The credit metrics captured by these tools provide a good statistical gauge of stand-alone credit strength, and, in general, higher ratings can be expected among issuers with the highest scorecard-estimated BCAs. Nevertheless, the scorecard-estimated BCAs do not substitute for the rating committee's judgments regarding individual BCAs, nor is the scorecard a matrix for automatically assigning or changing these assessments.

Exhibit 9

University of Tasmania

As of 31 December 2023 and Moody's Forward View

Scorecard Factors and Sub-factors		2023 Value	2023 Score	2024F Value	2024F Score
Factor 1:	**Scale (15%)**				
	Adjusted Operating Revenue (USD Million)	448	A	463	A
Factor 2:	**Market Profile (20%)**				
	Brand and Strategic Positioning	A	A	A	A
	Operating Environment	Aa	Aa	Aa	Aa
Factor 3:	**Operating Performance (10%)**				
	EBIDA Margin	1%	Ba	2%	Ba
Factor 4:	**Financial Resources and Liquidity (25%)**				
	Total Cash and Investments (USD Million)	359	Aa	315	Aa
	Total Cash and Investments to Operating Expenses	0.7	A	0.6	A
Factor 5:	**Leverage and coverage (20%)**				
	Total Cash and Investments to Total Adjusted Debt	1.0	Aa	0.9	A
	Annual Debt Service Coverage	0.5	Ba	1.2	Baa
Factor 6:	**Financial Policy and Strategy (10%)**				
	Financial Policy and Strategy	A	A	A	A
	Scorecard-Indicated Outcome		a2		a2
	Assigned BCA		A1		A1

Data is based on most recent fiscal year available. Debt may include pro forma data for new debt (issued or proposed) after the close of the fiscal year.
For non-US issuers, nominal figures are in US dollars consistent with the Higher Education Methodology.
2024F denotes Moody's forecasts and are not the view of UTS
Sources: Moody's Ratings, University of Tasmania

Ratings

Exhibit 10

Category	Moody's Rating
UNIVERSITY OF TASMANIA	
Outlook	Negative
Baseline Credit Assessment	a1
Issuer Rating	Aa2
Senior Unsecured -Dom Curr	Aa2

Source: Moody's Ratings

Endnotes

1 As measured by EBIDA relative to interest expense and scheduled principal payments.

2 The governing body of the University.

3 The Act also establishes that before making an appointment to the Council, the Minister of Education and the Council must give public notification of the vacancy, consult with each other about any intended appointment and assess the balance of skills and experience, regional representation and an appropriate gender balance.

4 A HECS-HELP loan is a non-interest bearing loan from the Commonwealth, available to domestic students are enrolled in Commonwealth supported places (CSP) and is used to pay the student contribution amount for the degree.

5 See Australian Universities Accord Final Report Document. The report includes 29 key findings and 47 detailed recommendations covering 29 topics.

6 See more details in our recent publication: Accord reforms will weaken operating conditions and governance for universities.

7 Key objectives of the Partnership include: a) Developing an innovative, next-generation, polar autonomous underwater vehicle to acquire high resolution data under sea ice and ice shelves; b) Providing a near real-time sea ice charting service to vessels operating in the East Antarctic and conducting research to support sea ice forecasting; c) Advancing our understanding of how the oceans melt Antarctic ice shelves, and quantifying present and future Antarctic Ice Sheet mass loss and its contribution to sea-level rise; d) Building our understanding of environmental controls on marine life, ranging from pelagic microbes to benthic communities using various sampling platforms, lab-based microbial culture experiments, habitat and life history assessments of mesopelagic, and regional process studies; and e) Assessing the contribution of the Antarctic Ice Sheet to sea level since the Last Glacial Maximum (~20,000 years ago) via geophysical observations and modelling.

8 As the sole university's in the state, UTAS is required to have a broad course offering and different campus options for students. Its campuses are located in Hobart, Launceston and the Cradle Coast, and it has a small presence in Sydney.

9 Compared to international peers, Australia provides some of the strongest support for unfunded superannuation liabilities, where the unfunded liability is fully covered by the Commonwealth (78%) and the rest by the states (22%), consequently removing universities' funding obligations for legacy unfunded superannuation liabilities.

10 Educational Attainment, Health, Economic Performance, Social Inclusion, Cultural Participation and Environmental Sustainability.

REPORT NUMBER 1415332

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

UNIVERSITY of TASMANIA

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

By email: 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 the Committee's 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 4 October 2024.

On the matter of international student policy, on the afternoon following our appearance before the Committee on 3 October, we received advice that the Minister for Home Affairs, the Hon Tony Burke MP, had decided to pause the Evidence Level (EL) changes that were scheduled to occur at the end of September 2024.

It seems this decision had some relationship to the expected debate in the Senate of the Education Services for Overseas Students (ESOS) legislation in the week of 7 October as the justification provided was that the pause would allow education providers to revise their recruitment processes following the passage of the ESOS legislation introducing National Planning Limits. The Australian Government has previously committed to the removal or replacement of Ministerial Direction 107 (MD107) upon the passage of the legislation.

However, the report of the Senate Committee inquiring into the legislation was tabled later than expected which did not allow for debate during that week. The legislation will now not be debated until the last two weeks of November which are also the last two Federal parliamentary sittings for 2024.

We have been further advised that should the ESOS legislation not pass, the Minister will determine the appropriate timeframe for application of the EL change, adding to the considerable uncertainty around this issue.

As outlined to the Committee during the hearings, the continued application of MD107 is severely damaging regional universities such as ours and creating financial challenges that cannot be quickly alleviated.

This situation will continue to have a significant impact on the University of Tasmania in 2025.

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As the only university in the state, the University of Tasmania is responsible for over 20% of Tasmania's net migration. On current indications, we anticipate there will be around a 10% drop in net migration to Tasmania, resulting in significant economic impacts across the State. A policy fix is urgently needed for the sustainability of the State, not just the University.

We continue to engage with the Australian and Tasmanian Governments to advocate for a resolution to these circumstances as quickly as possible and would appreciate the support of the Committee in these efforts in whatever form that may be possible.

Yours sincerely

[redacted]

Professor Rufus Black
Vice-Chancellor

25 October 2024

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UNIVERSITY of TASMANIA

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

Question 1: Student numbers over the last 10 years by physical presence, source, type of study and school.

As a large University with a student population in the tens of thousands, we have a significant volume of raw data on student numbers and study modes over a 10-year period. Capturing, analysing and presenting that data in ways that would be meaningful for the Committee would require a substantial amount of work.

We have provided a range of student data to the Committee previously, during our two appearances and within the September 2024 Questions on Notice, working to ensure the data relates to the Committee Terms of Reference and informs the Committee about our financial position and the financial pressures we are managing.

During our first appearance, we set out the national growth in domestic student numbers going back to the 1980s (slide 5) as well as our own student load over the past decade and how that relates to our EBITDA, the pattern of interstate student enrolments, and changes in our international student numbers (slides 22, 24 and 25). Our September 2024 responses to Questions on Notice provided additional data on study mode of students at the University of Tasmania compared to national trends (question 9) and Year 12 Tasmanian and interstate student numbers (question 10). Our second appearance provided a forward-looking overview, including projected student numbers out to 2050 mapped against our financial position as part of the scenario modelling we carry out at regular intervals.

Supplementing the information we have already provided with school and faulty level data would require a significant level of resources to manually review and prepare student data. Further, preparing student numbers at school and/or faculty level is challenging because this data can change significantly across short periods of time as a result of changes in organisational structures, changes in courses and other internal administrative changes. Additionally, many students may elect to study units across multiple schools or faculties during their time as a student. It is worth noting too that University of Tasmania schools and faculties, and the courses and units taught within them, do not directly line up with the Fields of Education data reported at the national level.

Question 2: Cross subsidisation and costs of delivering services to Burnie and Launceston.

One of the central objectives of the University is to further the educational attainment of our regional areas. Through the support of both the State and Federal Governments we have recently been able to invest in infrastructure at our Inveresk and Cradle Coast campuses, rather than closing regional campuses and retreating to capital cities as other universities have done around the country.

The figures quoted of $40-60m are the estimated net cost of the subsidy required to operate and deliver teaching, learning and research to these campuses.

The total staffing costs for the Launceston and Cradle Coast operations amounts to $85m versus a total student revenue of $45m. The net subsidy also includes campus operating costs, and the ranged nature of the response reflects assumptions on both the number of roles that would not be required in a consolidated Hobart campus as well as the number of students that would be unlikely to attend university in the absence of a regional campus.

Question 3: What are the costs involved in UTAS' research activities and to what extent, if at all, are research activities cross subsidised?

The 2022 study 'Essential Decisions for National Success: Supporting Australian Research' by Group of Eight Australia examined research-intensive universities, of which UTAS is one, and found that for each $1 of research income received an institution required $1.20 in indirect cost funding to support it. The study found that only approximately 20c per dollar of research funding is currently received from the government through Research Block Grant funding for this purpose.

This support ranges from energy costs and building maintenance to technicians, librarian and other professional support as well as the average 40% of time that academics are contractually allocated to research activities. Over the past decade UTAS's reported HERDC research funding has averaged ~$100m per annum which, based on the study above, requires a similar level of cross subsidy by the University.

Question 4: Please provide a breakdown of UTAS' non-capital projected expenditure for the years 2024 to 2026 related to the relocation of the southern campus to the Hobart CBD and redevelopment of its Sandy Bay campus

Given the current uncertainty about the University's future financial position due to legislation before the Senate and legislation before the State Parliament, projected expenditure beyond 2024 to support the redevelopment of the Sandy Bay campus remains uncertain - although it is clear the University will not be in a position to fund any works without support from governments.

Non-capital expenditure related to the University's southern campus presence includes $449,385 committed in 2024 for consultancy costs for planning and to facilitate engagement for future campus projects in Southern Tasmania, including STEM education and facilities.

Non-capital costs including staff time, relocation resourcing (eg removalists) and commissioning buildings (eg IT support) are included in the budget for the University's Campus Futures team. This team supports statewide relocation and campus development projects, including Forestry, Inveresk and Taroona projects. The University does not currently disaggregate team budgets to determine non-capital Campus Futures team costs per project.

UNIVERSITY of TASMANIA

Current and projected legal costs are minimal, as there have been no property purchases in 2024 and none anticipated - legal support required for existing projects is drawn from the University's in-house team.

The lease on the KPMG building cost $971,542.53 including GST in 2024 and will cost approximately $995,524.09 including GST in 2025. The lease on the Vodaphone building cost $906,948.32 including GST in 2024 and will expire at the end of 2024.

Forecast net interest costs on the Green Bond from 2024 to 2026 are $11.8 million in 2024, $13.6 million in 2025 and $14.2 million in 2026.

Question 5: Please provide year by year income and expenditure figures for UTAS' Rozelle campus and UTAS' learning centres in Melbourne and China from commencement of operations to 2023 and projections for 2024 to 2026 including any relevant commentary.

Our Rozelle Campus in Sydney's inner west is a health focused campus offering primarily nursing and paramedicine related courses in partnership with local hospitals and health service providers. Table 1 provides income and expenditure for the Rozelle Campus.

Table 1: Income and Expenditure – Rozelle Campus

$m	2020	2021	2022	2023	2024
Revenue	13.6	16.4	13.5	14.7	16.4
Salaries	(5.5)	(5.1)	(5.2)	(5.2)	(6.0)
Other Exp.	(1.3)	(1.5)	(1.5)	(1.4)	(1.5)
Contribution	**6.7**	**9.8**	**6.8**	**8.0**	**9.0**

The University has a partnership with Education Centres Australia (ECA) to run a Third-Party Managed Campus in Melbourne. This campus began operations in 2023 and has so far focused on international students delivering business and IT courses. Table 2 provides income and expenditure for the ECA Melbourne Campus.

Table 2: Income and Expenditure – ECA Melbourne Campus

$m	2023	2024
Income	0.4	0.9
Expenses	(0.3)	(0.6)
Contribution	**0.1**	**0.3**

The university's transnational education operations are run in partnership with international universities, delivering science and business courses through a 2+2 arrangement, where students complete two years overseas and then transfer to Australia to complete their degree.

The university's major transnational education programs are delivered with Shanghai Oceans University and UCHE (Hong Kong). University of Tasmania academic staff travel to China to deliver courses at our partner institutions, complimented by support from local academics. Table 3 represents the costs of the in-country components of these programs.

Table 3: Income and Expenditure – Transnational Education Program, In-Country Costs

$m	2020	2021	2022	2023	2024
Income	2.9	3.1	3.4	3.5	3.1
Salary Expenses	(0.6)	(0.6)	(0.6)	(0.6)	(0.6)
Other Expenses	(0.0)	(0.0)	(0.0)	(0.2)	(0.3)
Contribution	**2.4**	**2.5**	**2.8**	**2.7**	**2.1**

Question 6: What plans does UTAS have to repay the $280m tranche of Green Bonds that we understand needs to be redeemed in just over seven years in March 2032?

As outlined in the presentation to the Committee on 2 October, our scenario planning includes a need to refinance a portion of our first Green Bond due to the impact of COVID and the lack of return from our Sandy Bay assets. This was noted on slides 15 and 20 in the presentation.

Question 7: How much of the IMAS Taroona spending is committed for the 2026 year?

The redevelopment of IMAS Taroona into a world-class fisheries and aquaculture research and teaching precinct is a $68 million project with construction currently underway.

We expect construction to be completed in early 2026 with the bulk of the building works to be completed, and associated costs incurred, by the end of 2025.

Question 8: Do the figures in Slide 42 include the acquisition costs of the properties developed?

No, they do not.

Question 9: Slide 38 indicates there was no further government funding available to continue capital projects. Did UTAS ask for a limit greater than $400m?

No, we have not.

Question 10: Please provide an explanation as to how the approved borrowing limit requires reductions over time consistent with the maturity profile.

The debt maturity repayment requirement relates to the third condition of the Treasurer's approval for the debt. The repayment obligation requires the University to repay in accordance with the debt maturity profile, provided at the approval stage.

Question 11: Purpose Built Student Accommodation (PBSA)

The PBSA transaction entered into in 2017 has provided a significant benefit to the University. The initial contributions from our partners have been used to support our other major capital projects, while the absence of an occupancy guarantee from the deal sheltered the University from potential significant financial exposure during the peak pandemic years.

Responses to the questions on notice are as follows:

1. *Regarding the Purpose Built Student Accommodation (PBSA) noting UTAS received 2 lump sums PBSA1 for $133m in 2017 and $71 m for PBSA2 in 2021, Slide 43 indicate UTAS spent $86m in2015 to 2017 on student accommodation:*

    a. *Do these figures relate to building additions or land and building acquisitions?*

    b. *Please provide details and dollar amounts spent and room numbers delivered.*

The $86m is the amount spent on construction of the Hobart Apartments complex that contains 446 beds, mostly in studio style apartments with self-contained kitchens.

   c. *With regard to the 2017 PBSA1, did these include existing rooms in existing buildings (apart from the buildings and rooms referred to in a,); and*

      i. *If so, how many rooms in how many buildings and what was the book value of the buildings at the time of PBSA1?*

The initial contribution from our partners in 2017 included some existing student accommodation around the State as well as the contribution for the Hobart Apartments build.

   d. *Slide 37 indicates 400+ beds were constructed "largely paid for by our partner". The slide refers to Hobart Apartments. Were these part of PBSA1?*

No, this is referred to as PBSA2 – which is 42 Melville Street Hobart, now known as Hytten Hall. The build was completed in 2021 and comprises 422 beds in a mixture of studio rooms and shared apartments.

   e. *Slide 43 indicates $78 million spent on student accommodation from 2019 to 2021:*

      i. *Does this relate to properties that formed part of the PBSA2 deal?*

      ii. *Please provide details of the properties, the number of rooms, and whether the amounts related to new capex or land and building acquisitions.*

UNIVERSITY of TASMANIA

This relates to 42 Melville Street/Hytten Hall (422 beds) to which the University contributed $7.4m for the build and the remainder was funded by our partner.

f. *What was the book value of the properties included in PBSA2 at the time the deal was finalised in 2021.*

The value was the current build cost at the time of completion which was $78.5m and this is recorded on the University's asset register.

g. *How many rooms in which buildings were delivered under the PBSA partner expenditure undertake and how many rooms were delivered?*

PBSA2 delivered 189 rooms, of which 113 are studio apartments, 71 are four bedroom apartments and the remaining 5 are five bedroom apartments (total beds: 422).

h. *What are the net rental amounts paid to UTAS' PBSA partner for each of the years since commencement, including any amounts of revenue received directly by the PBSA partner which were forgone/diverted by UTAS as part of the arrangement.*

The net rental amounts are provided in Table 4 below.

Table 4: Peak Occupancy, Net distribution and NRAS annual distribution per year

	2018	2019	2020	2021	2022	2023
Total peak occupancy*	92.41%	98.39%	84.70%	66.57%	88.45%	88.00%
Net distribution to partner ($)**	10,070,876	10,944,682	9,544,251	8,968,774	14,270,813	14,142,048
NRAS annual distribution ($)***	N/A	6,202,918	6,481,253	6,430,047	6,390,753	6,404,436

Table 4 Notes
* Peak occupancy relates to student contract agreed periods, most properties are on 42 week contracts, with the exception of Hobart Apartments (50 week) and 42 Melville (52 week).
** Net distribution to partner takes out the University Annual Operating Amount as per agreement, commencing at $5.8m in 2017 and has had adjustments with properties incoming/outgoing, now sits at $6.8m
*** NRAS annual distribution is government funds as part of the NRAS scheme, whereby the Inveresk, West Park, Newnham and Hobart Apartments remain under 80% of market valuation for residents, this scheme is due to finish in 2025, with Newnham Apartments exiting in 2024. This is paid a year after occupancy / rental.

i. *Who pays the relevant outgoings such as rates, land tax, repairs, other occupancy costs and administration costs?*

The University pays for rates and administration costs (including all student-facing staff and services) to operate the accommodation and deducts an annual operating amount as per the agreement to fund this.

The partner pays for repairs and up-keep on the buildings for the duration of the agreement.

j. *What have been the occupancy rates since commencement?*

Table 4 above provides total peak occupancy rates from 2018 to 2023.

k. *What risks are there for UTAS; and*

l. *What risks are borne by the PBSA partner?*

The University does not take on significant risk in relation to the transaction, however the transaction does provide some limitations on use of the assets - such as consideration of rent setting and length of term of student occupancy agreements. The University works closely with and has a good working relationship with our partners.

Our PBSA partner takes on occupancy and financing risk in relation to the transaction.

Question 12: With regard to tax exemptions does UTAS' exemption from income tax extend to profits from all its operations, what exemptions from GST apply to UTAS, does the exemption to pay general rates apply to all UTAS properties, and if not, which properties are not exempt, and does the exemption apply to land and buildings leased to third parties, does any exemption to pay land tax apply to all UTAS properties and if not, which properties are not exempt and does the exemption apply to land and buildings leased to third parties?

The University operates under several legislative frameworks that provide exemptions from various rates and taxes, though these exemptions differ depending on the nature of the rate of tax and the use of properties.

The University is deemed a not-for-profit entity under the Income Tax Assessment Act 1997 as the activities we undertake, namely education and research, are deemed for the benefit of the community and therefore tax exempt. This extends to university subsidiaries where any profits from those operations are also reinvested into educational and research activities.

While many not-for-profit entities enjoy payroll tax exemptions under the Payroll Tax Act 2008, such exemptions do not extend to educational institutions such as the University of Tasmania. As a result, the University is fully assessed on its declared wages and remains one of Tasmania's largest payroll tax contributors due to its significant employment costs.

In terms of GST, the University benefits from general exemptions applicable to the education sector. Accredited educational services, including course tuition, are GST-free, allowing the University to charge no GST on course fees and to claim input tax credits on related acquisitions. Furthermore, student accommodation provided at less than 75% of market value is also GST-free, a concession the University monitors closely to ensure continued compliance with the threshold for its student accommodation.

Regarding general rates, the University is generally exempt from paying rates on properties it owns and occupies exclusively for charitable purposes. However, properties or parts of property owned by the University but leased to third parties do incur general rates. For example, a University owned building leased to a retail provider would incur rates.

Question 13: Regarding research funding and philanthropic income and the performance of other Australian universities.

The University's research and philanthropic income is outlined each year in our Annual Report and detailed in the revenue and income notes 2.5 and 2.6 in the Annual Financial Statements.

Regarding research, the Annual Report states in note 2.6 'The consolidated entity performs research activities in different fields such as health, engineering, education and science. The consolidated entity enters into many different types of research agreements with different counterparties, such as with private sector customers and Government agencies that award research grants. Each grant agreement is assessed as to whether it is an enforceable arrangement and contains sufficiently specific promises to transfer outputs from the research to the customer (or at the direction of the customer). Judgement is required in making this assessment. The consolidated entity has concluded that some research agreements represent a contract with a customer whereas other research grants are recognised as income when the consolidated entity obtains control of the research funds.'

Research income totals – as distinct from the figures publicly available through the federal HERDC system – have been presented in note 2.6 in line with current accounting standards for the past five years. Over that time the University's total research income for each year has been, from 2019 through 2023, $193.7 million, $193.7 million, $197.3 million, $199.5 million and $193.2 million.

Over the same period, the University's philanthropy income, as set out in note 2.5, has been $6.341 million, $9.083 million, $5.366 million, $5.466 million and $11.524 million. These figures are made up of donations and bequests and do not include scholarships and prizes.

The resources required to do a full analysis and breakdown of the internal flows of research funding by discipline or to compare our research and philanthropic income with that of other universities across the sector would be considerable and at this time, would require us diverting effort and funds away from core university functions.

TASMANIA
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 [redacted] at the Department of Treasury and Finance on [redacted] or at [redacted].

Yours sincerely

Peter Gutwein MP
Premier
Treasurer

Attachment G

UNIVERSITY of TASMANIA

Green Bond Framework

FEBRUARY 2022

We acknowledge the palawa/pakana people of lutruwita/Tasmania and Gadigal people of Sydney, the traditional owners of the land upon which we live and work. We pay respects to Elders past and present as the knowledge holders and sharers. We honour their strong culture and knowledges as vital to the self-determination, wellbeing and resilience of their communities. We stand for a future that profoundly respects and acknowledges Aboriginal perspectives, culture, language and history.

Students at the pinnacle, kunanyi/Mt Wellington.

Contents

4 **Introduction**

4 Who we are

5 Our strategy

6 Research impact

7 **Our approach to Environmental, Social and Governance outcomes**

8 Our commitment to sustainability

9 **Overview**

9 Purpose of the Green Bond Framework

10 **Framework for use of proceeds**

11 Green Building eligibility criteria

11 Use of proceeds performance benchmarks

12 Process for evaluation and selection of eligible assets

12 Management of proceeds

13 External review

13 Reporting

Geography, Planning, and Spatial Sciences students, Derby.

Introduction to the University of Tasmania

Who we are

The University of Tasmania was founded in 1890 and is Australia's fourth oldest University. Today, we are a community that consists of over 36,000 students and we are one of the largest employers in the state employing over 6,300 people, or the full-time equivalent of over 2,900 people. We were founded on the core principle of serving our island state and its people, and our mission remains the same to this day-to be a place where we do things for and from Tasmania to the world.

Because of our unique setting and challenges, we go beyond creating places of learning. Through all that we do, we strive to support Tasmanians to flourish and thrive, strengthen communities, stimulate economic growth, lift literacy, improve health outcomes for Tasmanians, and nurture our environment as it nurtures us.

We deliver our courses across Tasmania, enabling everyone to access the education they need to grow and contribute to their communities. From our Hobart, Launceston and Burnie campuses, we teach across the island to a distinctively diverse group of students, fostering a deep connection to our unique location, our island character and our complex history, through distinctive and impactful experiences.

We benefit from strong governance and oversight and partnerships from the Federal and State levels, and given our role as the only university in the state, we have a strong partnership approach with government in how we create impact and respond to the needs of our community.

Our ability to be regionally responsive has seen us leverage opportunities to make contributions from Tasmania to the world, such as the growth of our online learning offerings, and the establishment of our Rozelle campus through partnership with the NSW government.

Our strategy

In 2019, we developed a five-year strategic plan to deliver outcomes across six key areas in *Education Attainment, Health, Cultural Participation, Economic Performance, Social Inclusion, and Environmental Sustainability.*

In 2020, we refined the strategy to strengthen our focus on impact areas considered especially critical for recovery in the post-COVID world. At the heart of our strategy, is creating distinctive experiences, with impact for Tasmania and our community.

› Regionality

We are focused on offering more courses in more places, that are aligned with local industry and workforce needs, and research opportunities.

The pillars of this strategy include:

› Access with excellence

We continue to support access and break down barriers where they exist across the state. In 2021, we introduced a Schools Recommendation program which removed the ATAR requirement for entry.

› Partnerships to make a difference

We recognise that even greater outcomes can be achieved through meaningful partnerships and we are committed to support and develop new and longstanding partnerships in the delivery of our mission.

› Contemporary learning

We continue to enhance and build better, more meaningful, engaging and immersive learning experiences, and replace legacy infrastructure with state-of-the-art facilities.

› Sustainability

Our work to become a truly sustainable university is being recognised nationally and globally, with sustainability principles embedded across the institution.

Research impact

We are a research-intensive institution, being the main provider of research for Tasmania's society and economy. Our national and international reputation is reflected by our top-10 standing as a recipient of research funding in Australia.

97%	$114m	400+
of our research rates are at or above world standards.	of reportable research income was generated in 2020.	partners across a range of industries.

Some of our research facilities include:

› Institute of Marine & Antarctic Studies (IMAS)

IMAS is a centre of excellence for marine and Antarctic research that cuts across traditional scientific and social scientific boundaries. IMAS is dedicated to enhancing environmental understanding and facilitating thoughtful and sustainable development for the benefit of Australia and the world.

› Menzies Institute for Medical research

Menzies exists to perform internationally significant medical research leading to healthier, longer and better lives for Tasmanians.

› Australian Maritime College

AMC is a centre of excellence for maritime and marine research, with the aim to drive innovation, meet the needs of industry and defence, with the most advanced maritime facilities in the Southern Hemisphere.

› Tasmanian Institute for Agriculture

The Tasmanian Institute of Agriculture (TIA) is a joint venture with the Tasmanian Government, and has the mandate to progress the agricultural industry of Tasmania through the provision of industry-relevant research and development.

› Institute for Social Change

The Institute for Social Change supports positive social change by bringing together researchers from a diverse range of disciplines with partners in community, government and industry.

› Tasmanian Policy Exchange

The Tasmanian Policy Exchange (TPE) was established in 2020 as a strategic initiative to enhance the University's capacity to make timely and informed contributions to policy issues and debates that will shape Tasmania's future.

Our approach to Environmental, Social and Governance outcomes

The University of Tasmania is committed to operating and focusing on environmental, social and governance (ESG) outcomes for ourselves, our surrounding communities and the world, while respecting the traditional owners and their deep history with these lands and waters.

In accordance with the *University of Tasmania Sustainability Policy*, the University is committed to the incorporation of inclusive and equitable sustainability principles and practices in, and informed by, its governance, teaching, research, community engagement and operations.

Our *Strategic Framework for Sustainability* expands on this commitment and provides an essential foundation for the University to undertake a holistic approach to sustainability across four key areas.

Goal 1 › **A leader in sustainability governance and implementation**

› We embed sustainability in University core business and culture to increase capacity to contribute to sustainable forms of development. We will continue to be a leader in sustainability through consulting with our community as well as embedding, promoting and progressing sustainability across the University and within the broader community.

Goal 2 › **A leader in sustainability education and research**

› We seek to be recognised as a leader in sustainability education and research including indigenous knowledge. We integrate sustainability across the curriculum and within research areas as well as deliver and facilitate extra-curricular opportunities in sustainability and to use the University as a 'living lab' in a way that is innovative, collaborative and provides long-term impact.

Goal 3 › **Partnerships and engagement activities deliver sustainability outcomes**

› We maintain the University's social mission focus through our partnerships, internal and external community engagement and our University-wide sustainability program. Working meaningfully with our partners, we seek to inspire and support creative solutions, challenge perceptions, provide insights, share expertise and create opportunities.

Goal 4 › **A university committed to sustainability in its facilities and operations management**

› We ensure our facilities and operations meet sectoral or world best practice delivering operational sustainability outcomes, including in greenhouse gas emissions, energy, water, transport, waste, biodiversity, investment and procurement. Working collaboratively with sectoral peers and organisations we improve our own outcomes and in turn help others improve theirs.

Our commitment to sustainability

We are committed to operating and focusing on sustainable outcomes for ourselves, our surrounding communities, and the world.

Our approach to our overarching University sustainability framework takes its context from the United Nations-brokered Sustainable Development Goals (SDGs), the Learning in Future Environments Index (LiFE) and the Sustainability Tracking, Assessment & Rating System (STARS).

We are committed to embedding sustainability principles into all facets of our endeavours to ensure that the University's practices reflect and complement its desired standing and contribution in the local and global community.

As part of our commitment to sustainability and in recognition of the urgency of the climate crisis and the need to limit warming to 1.5°C, we are committed to support development of a zero-carbon economy.

Our supports include:

› Being carbon neutral certified since 2016, including annual public reporting:

- our emissions sources, methodologies, and profile change commentary, are available in our annual UTAS Greenhouse Gas Inventory[1] reports
- we were certified as a carbon neutral organisation in 2016 (Climate Active)
- under the National Greenhouse and Energy Reporting (NGER) Act 2007, and the Tertiary Education Facilities Management Association (TEFMA) benchmarking survey

› Becoming an International Universities Climate Alliance member in 2020.

› Our divestment strategy was executed to reposition the University's investment portfolio in 2021 away from carbon intensive investments.

› Joining Race To Zero (previously Global Climate Letter for Universities and Colleges) in 2021, which commits the University to:

- Pledge: Having a 2050 or sooner net zero target
- Plan: explain what steps will be taken toward achieving net zero
- Proceed: taking action towards net zero
- Publish: commit to report progress annually

› Our commitment includes concentrated efforts in the following areas:

- **Our built environment**, which includes pursuing sustainable development and refurbishment opportunities, following environmentally sustainable design principles and minimising embodied carbon
- **Our operating footprint**, which includes a circular economy approach for waste management focusing on reduced materials use (packaging and disposables), provision of recycling infrastructure and services, and sustainable procurement through to water conservation, and sustainable transport

[1] University of Tasmania Climate Active documents, including latest inventories and public disclosure documents available at https://www.utas.edu.au/infrastructure-services-development/sustainability/greenhouse-gas-emissions#1240924

Overview

Green Bond Framework

PURPOSE OF THE GREEN BOND FRAMEWORK

The purpose of this Framework (the "Framework") is to set out in line with the Green Bond Principals 2021 ("GBP"), the way the University will:

1	Use proceeds
2	Evaluate and select Eligible assets (finance projects, assets or expenditure that create positive environmental outcomes)
3	Manage proceeds; and
4	Report

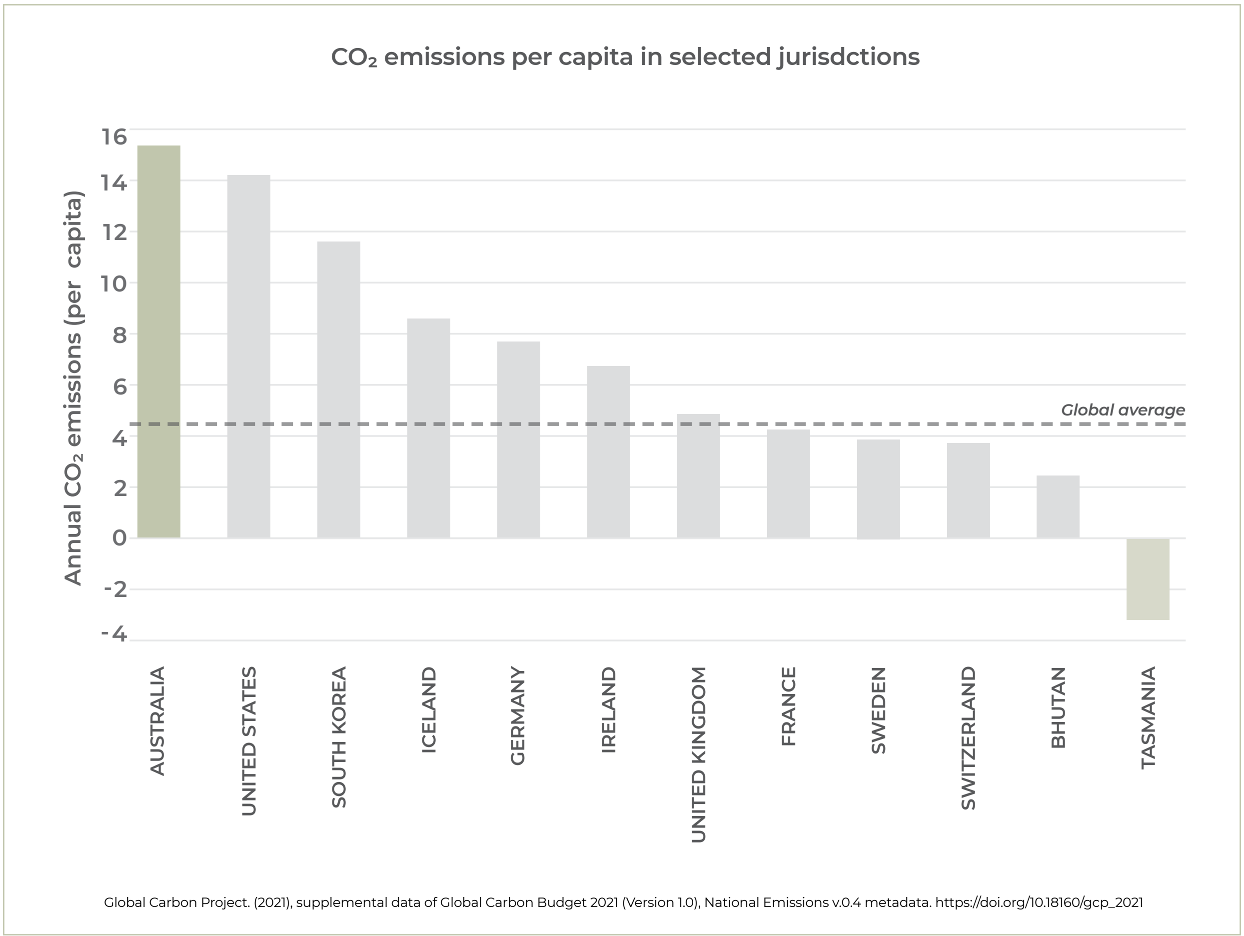
Green bonds are issued to finance eligible assets that deliver positive environmental outcomes which are part of our broader approach to environmental, social and governance outcomes and our commitment to sustainability.

The Inveresk Apartments (NRAS) student accommodation, Launceston achieved a 6 Star Green Star rating.

Framework for the use of proceeds

Tasmania has one of the lowest carbon electricity grids in the world due to its primary energy source being renewable hydroelectric and wind generation. Our net-negative emissions profile (-1683 kt CO_2-e in 2019) and Tasmania's substantial renewable electricity assets provide a strong foundation to continue build a reputation as a leader of climate action.

The state's net emissions per capita rank among the lowest in the developed world (figure 1), and Tasmania can currently claim to be Australia's only net-negative emissions jurisdiction. Most jurisdictions globally are grappling with the challenge of decarbonising electricity generation; Tasmania, with its renewable energy base, can focus on efforts to decarbonise the wider economy[3].



The University has determined the most impactful pathway for our contribution to decarbonisation is to reduce the upfront embodied carbon within our building program and play a role in driving transformative change of the construction industry.

We will achieve this through adaptive reuse of existing buildings (i.e. avoiding demolition and construction) where appropriate, and the use of low embodied carbon construction practices in major refurbishments and new construction as part of our campus transformation.

[3]Towards a climate-positive Tasmania, Tasmanian Policy Exchange, University of Tasmania (October 2021). https://www.utas.edu.au/community-and-partners/tpe/climate

GREEN BUILDING ELIGIBILITY CRITERIA

The methodology used for selecting eligible projects and assets is based on the Green Star Buildings[4] "Upfront Carbon Emissions" credit. This methodology has been selected for the following reasons:

- It captures up-front or embodied carbon in buildings
- It is a standardised and established industry methodology that is widely understood and transferable between projects
- Modelling protocols and reduction targets have been tested against global sustainability benchmarks and through local industry working groups in development of the Green Star Buildings assessment tool

USE OF PROCEEDS PERFORMANCE BENCHMARKS

Proceeds from the issuance of green bonds will be solely used for the purpose of financing projects that use the Green Star Buildings tool credit for up-front embodied carbon. This section sets out the criteria upon which eligible assets will qualify for inclusion in a University of Tasmania Green Bond.

The "Upfront Carbon Emissions" credit seeks to reduce carbon emissions embedded in products and materials used in the building's construction, and sets the below embodied carbon reduction benchmarks:

Upfront carbon emissions reduction for "standard practice" buildings	Green Star Upfront carbon emissions credit achievement level
< 10%	Minimum requirements for all Green Star Projects
20%	Credit achievement
> 40%	Exceptional performance

The University will target a 20% (or better) reduction in upfront carbon emissions for eligible assets.

[4]Green Star Buildings, Submission Guidelines, Version 1: Revision A (6 July 2021). https://new.gbca.org.au/

The Medical Science 2 (MS2) building in Hobart City was the first educational building in Tasmania to achieve a 5 Star Green Star rating for environmental design.

PROCESS FOR EVALUATION AND SELECTION OF ELIGIBLE ASSETS

Evaluation and selection process of eligible assets will be approved by the Transformation Working Group with submissions from the Transformation Operations Group, the Architecture Design Review Group and Corporate Finance.

The University is building its city campuses in accordance with urban design principals of a sustainable campus (Design Principals). The Transformation Working Group is guided by Terms of Reference which apply to the campus transformation programme.

The Terms of Reference includes a commitment to the University's Sustainability Policy including the reduction in embodied carbon across its city campus. These principles will guide the Transformation Working Group in its consideration and evaluation of eligible assets. Buildings or projects that are smaller in scale and impact and projects that enable the move to the city in the short-term, may be excluded as eligible assets.

MANAGEMENT OF PROCEEDS

Annually, the Transformation Working Group supported by Corporate Finance will review the allocation of the Green Bond proceeds to the eligible projects against the Green Bond criteria.

Corporate Finance will be responsible for tracking and managing the net proceeds, whilst ensuring the total value of green bonds issued does not exceed the total value of Eligible assets quantified under the Eligible Assets Register. Corporate Finance will track the allocation of proceeds from Bonds issued through to allocation to the nominated Assets. Allocations will be tracked within the Eligible Asset Register through the term of a Bond.

In the event that proceeds from any debt issuance is unallocated, or is pending allocation, Corporate Finance will be responsible for the management of these proceeds of which these may be:

1. Held in the form of cash, or cash equivalent instruments
2. Held in temporary investment instruments which are not inconsistent with the delivery of a low carbon and climate resilient economy
3. Applied to temporarily reduce indebtedness of a revolving nature before being redrawn for use for Eligible Assets

A look back period for the allocation of proceeds to Eligible assets from the financing and/or refinancing of bonds, will be no more than 36 months prior to the bond issuance.

EXTERNAL REVIEW

A Second Party Opinion provider will be engaged to certify the Green Bond Framework and relevant information, including materiality of the information is independently assured. Moreover, the Second Party Opinion will assure that the Framework aligns with the relevant principles and standards.

This Framework is subject to future amendments and will be updated in line with changing market standards and practices.

REPORTING

Under the Green Bond Framework, information will be made available in the following reports:

Green Bond Framework	Before or upon issuance of a green bond specified under this Framework
Second Party Opinion	Before or upon issuance of a green bond specified under this Framework
Use of Proceeds and Green Bond Impact report	At least annually, disclosure on the allocation of the net proceeds in a Green Bond Impact Report will contain a list of eligible assets funded by the proceeds.

UNIVERSITY of TASMANIA

utas.edu.au | CRICOS 00586B

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Series no.: 2

Tranche no.: 1

UNIVERSITY *of* TASMANIA

University of Tasmania

(ABN 30 764 374 782)

(a statutory corporation established by and governed in accordance with the University of Tasmania Act 1992 (Tas))

Neither the State of Tasmania nor the Commonwealth of Australia guarantees the issue of Notes by University of Tasmania in any way.

A$ Debt Issuance Programme

Issue of

A$70,000,000 4.45% Fixed Rate Notes due 24 March 2042
("Notes")

The date of this Pricing Supplement is 22 March 2022.

This Pricing Supplement (as referred to in the Information Memorandum dated 28 February 2022 ("**Information Memorandum**") issued by the Issuer) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with, the terms and conditions of the Notes contained in the Information Memorandum, such terms and conditions as supplemented and varied as set out in Schedule 1 to this Pricing Supplement ("**Conditions**"), the Information Memorandum and the Note Deed Poll dated 28 February 2022 made by the Issuer. Certain important additional information is also set out in Schedule 2 to this Pricing Supplement. Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer	:	University of Tasmania (ABN 30 764 374 782)
2	Type of Notes	:	Fixed Rate Notes
3	Method of Distribution	:	Syndicated Issue
4	Joint Lead Managers	:	Commonwealth Bank of Australia (ABN 48 123 123 124) National Australia Bank Limited (ABN 12 004 044 937)
5	Dealers	:	Commonwealth Bank of Australia (ABN 48 123 123 124) National Australia Bank Limited (ABN 12 004 044 937)
6	Registrar	:	[redacted]
7	Issuing and Paying Agent	:	[redacted]
8	Calculation Agent	:	[redacted])
9	If fungible with an existing Series	:	Not Applicable
10	Principal Amount of Tranche	:	A$70,000,000
11	Issue Date	:	24 March 2022
12	Issue Price	:	100.00% of the Principal Amount of Tranche
13	Currency	:	A$
14	Denominations	:	A$10,000, provided that the aggregate consideration payable for the issue and transfer of Notes in Australia will be at least A$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act.

15	Maturity Date	:	24 March 2042
16	Condition 6 (Fixed Rate Notes)	:	Applicable
	Fixed Coupon Amount	:	A$222.50 payable semi-annually in arrear per A$10,000 in principal amount
	Interest Rate	:	4.45% per annum
	Interest Commencement Date	:	Issue Date
	Interest Payment Dates	:	24 March and 24 September in each year, commencing on 24 September 2022, up to, and including, the Maturity Date
	Business Day Convention	:	Following Business Day Convention
	Day Count Fraction	:	RBA Bond Basis
17	Condition 7 (Floating Rate Notes)	:	Not Applicable
18	Minimum / maximum notice period for early redemption for taxation purposes	:	As per Condition 9.2 ("Early redemption for taxation reasons")
19	Condition 9.3 (Noteholder put)	:	Applicable, the Notes are redeemable before their Maturity Date at the option of the Noteholders under Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)")
	Early Redemption Date(s) (Put)	:	As per Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)")
	Minimum / maximum notice period for exercise of Noteholder put	:	As per Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)")
	Relevant conditions to exercise of Noteholder put	:	As per Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)")
	Redemption Amount	:	Outstanding principal amount of that Note at the Early Redemption Date (Put)
20	Condition 9.4 (Issuer call)	:	Applicable, all or some of the Notes are redeemable before their Maturity Date at the option of the Issuer under Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)")
	Early Redemption Date(s) (Call)	:	Any date as specified by the Issuer in the relevant early redemption notice given in accordance with Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)")
	Minimum / maximum notice period for exercise of Issuer call	:	As per Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)")
	Relevant conditions to exercise of Issuer call	:	As per Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)")

	Redemption Amount	:	If the Early Redemption Date (Call) is on or within 90 days prior to the Maturity Date, the Notes are redeemable at their outstanding principal amount together with interest (if any) accrued but unpaid on it to (but excluding) the Early Redemption Date (Call). If the Early Redemption Date (Call) is more than 90 days before the Maturity Date, the Notes are redeemable at the Make-Whole Amount specified below together with interest (if any) accrued but unpaid on it to (but excluding) the Early Redemption Date (Call). For the purposes of Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)"), "**Make-Whole Amount**" means an amount equal to the greater of: (a) the outstanding principal amount of that Note at the Early Redemption Date (Call); and (b) the present value at the Early Redemption Date (Call) of the Note being redeemed, calculated in accordance with the Reserve Bank of Australia Bond Formula for the calculation of the settlement price of fixed income securities (as published on the Issue Date), where the yield that applies is: (i) the mid-market swap rate (expressed as a semi-quarterly coupon matched asset swap rate, referencing the semi-annual rate adjusted for the 6 month-3 month rate as applicable) calculated by ICAP Australia Pty Ltd (determined using linear interpolation as necessary) to the Maturity Date of the Notes as displayed on Bloomberg page ICAP<GO>, IAUS<GO>, 31<GO> (or the page titled 'AUD Interest Rates Swaps') or other electronic media at or around 10.00 am (Sydney time) three Business Days prior to the Early Redemption Date (Call); and (ii) if ICAP Australia Pty Ltd no longer calculates those rates (or if those rates are not displayed by Bloomberg), the rate determined by the Calculation Agent to be appropriate having regard to market rates and sources then available, and in the case of either sub-paragraph (i) or (ii), plus 0.43%.
21	Default Rate	:	Not Applicable
22	Public Offer Test	:	It is the Issuer's intention that this issue of Notes will be issued in a manner which will seek to satisfy the Public Offer Test in section 128F of the Income Tax Assessment Act 1936 of Australia.
23	Additional Conditions	:	See Schedule 1 to this Pricing Supplement
24	Clearing System	:	Austraclear System Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg as described on page 5 of the Information Memorandum
25	ISIN	:	AU3CB0287654
26	Common Code	:	245985690
27	Selling Restrictions	:	As set out in the section entitled "Selling restrictions" in the Information Memorandum
28	Listing	:	Not Applicable

29	Use of proceeds	:	See Schedule 2 to this Pricing Supplement
30	Credit ratings	:	The Notes to be issued are expected to be rated Aa2 by Moody's Investors Service, Inc. *A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.* *Credit ratings are for distribution only to a person who is (a) not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.*

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Confirmed

For and on behalf of
University of Tasmania (ABN 30 764 374 782)

By:

Title: Vice-Chancellor

Date: 22 March 2022

SCHEDULE 1

The Conditions of the Notes as set out in the Information Memorandum are supplemented by adding the following new Condition 20 ("Substitution of Issuer"):

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20 Substitution of Issuer

20.1 Substitution of Issuer

In the event of a Proposed Restructure, the Issuer may, without the consent of the Noteholders, substitute any person incorporated in Australia ("**Substitute Issuer**") as the principal debtor in respect of any or all Series of Relevant Notes provided that:

(a) the Substitute Issuer is a direct or indirect subsidiary of the Retiring Issuer and that there is no material change in the substance of the operations and business of the Retiring Issuer and the Substitute Issuer (and their respective affiliates) taken as a whole;

(b) the Substitute Issuer expressly assumes all the obligations of the Retiring Issuer under the Relevant Notes and has entered into the Substitution Documents;

(c) any two directors of the Substitute Issuer certify that the Substitute Issuer will be solvent immediately after such substitution;

(d) to the extent a person other than the Substituted Issuer holds all, substantially all or a material part of the assets of the Group following the Proposed Restructure, either such person or, such other person who is the direct or indirect parent of the Group, irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Issuer in respect of the Relevant Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place;

(e) if the Relevant Notes are rated, each public rating agency which has assigned a rating to the Relevant Notes confirms in writing that following such substitution, the rating assigned to the Relevant Notes in force immediately prior to the substitution taking effect shall be maintained or increased;

(f) if the Relevant Notes are not rated and if the Issuer has a long term debt rating, each public rating agency which has assigned a long term debt rating to the Issuer has confirmed that the Substitute Issuer has, immediately prior to the substitution taking effect, a long term debt rating no lower than that then assigned to the Retiring Issuer;

(g) if the Relevant Notes are listed, quoted and/or traded on a stock or securities exchange or other relevant authority, such Notes remain listed on such stock or securities exchange or other relevant authority immediately after the substitution taking effect;

(h) prior to the substitution being effected, the Substitute Issuer warrants and represents to the Noteholders that:

  (i) it has obtained all necessary governmental and regulatory approvals and consents for the substitution;

  (ii) it has obtained all necessary governmental and regulatory approvals and consents for the performance by it of its obligations under the Substitution Documents, the Deed Poll and the Relevant Notes and that they are in full force and effect; and

  (iii) the obligations assumed by it are legal, valid and binding; and

(i) legal opinions have been delivered to the Registrar confirming that, following such substitution:

  (i) the Substitution Documents, the Deed Poll and the Relevant Notes will constitute legal, valid and binding obligations of the Substitute Issuer, enforceable against it;

  (ii) the Substitute Issuer is validly incorporated in its jurisdiction of incorporation;

  (iii) all necessary governmental and regulatory consents are in full force and effect; and

  (iv) amounts payable to the Noteholders of the Relevant Notes will not be reduced by the existence of any applicable Taxes (by deduction from such amounts or otherwise) except for such Taxes (if any) in respect of which the Substitute Issuer has agreed to make compensating payments to those Noteholders.

20.2 Notice and release of Retiring Issuer

(a) Notice of any substitution shall be given to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Relevant Notes are listed, quoted and/or traded within 14 days of the execution of the Substitution Documents and compliance with the other requirements of Condition 20.1 ("Substitution of Issuer").

(b) Any Substitution Document shall, if so expressed, release the Retiring Issuer from any and all of its obligations under the Relevant Notes with effect as of the date of substitution.

20.3 Completion of substitution

On and from the date specified in the notice has been given in accordance with Condition 20.2(a):

(a) the Substitute Issuer shall be, and shall be deemed to be, the principal debtor and to have all of the rights, powers and obligations of the Retiring Issuer in respect of the Relevant Notes as if the Substitute Issuer were originally named in place of the Retiring Issuer;

(b) the Conditions and the Deed Poll shall be deemed to be amended as necessary to give effect to the substitution; and

(c) despite anything contained in these Conditions, the Noteholders, the Registrar, each other Agent and the Retiring Issuer remain entitled to their rights and bound by their obligations in respect of Relevant Notes which have accrued up to and including when the substitution takes effect.

20.4 Consent for substitution of Issuer

If the Issuer proposes to restructure its business in a manner that is not a Proposed Restructure, then the Issuer must, prior to any proposed substitution taking effect, convene a meeting of Noteholders of the Relevant Notes to approve the substitution of the Retiring Issuer with a Substitute Issuer by way of an Extraordinary Resolution of the Noteholders, such approval to be subject to such conditions as may be agreed in the relevant consent.

20.5 Early redemption in the event of no substitution

If the Retiring Issuer is not substituted by the Substitute Issuer in accordance with Condition 20.1 ("Substitution of Issuer") or such substitution is not approved by the Noteholders in accordance with Condition 20.4 ("Consent for substitution of Issuer"), the Issuer may redeem all but not some of the Relevant Notes before their Maturity Date under this Condition 20.5 at the Make-Whole Amount and any interest accrued on it to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

(a) the Issuer has given not less than 30 days' nor more than 60 days' notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Relevant Notes are listed, quoted and/or traded; and

(b) the proposed Redemption Date is any date as specified by the Issuer in the redemption notice given in accordance with paragraph (a) above.

For the purposes of this Condition 20.5, "**Make-Whole Amount**" means an amount equal to the greater of:

(i) the outstanding principal amount of that Note at the Redemption Date; and

(ii) the present value at the Redemption Date of the Note being redeemed, calculated in accordance with the Reserve Bank of Australia Bond Formula for the calculation of the settlement price of fixed income securities (as published on the Issue Date), where the yield that applies is:

(A) the mid-market swap rate (expressed as a semi-quarterly coupon matched asset swap rate, referencing the semi-annual rate adjusted for the 6 month-3 month rate as applicable) calculated by ICAP Australia Pty Ltd (determined using linear interpolation as necessary) to the Maturity Date of the Notes as displayed on Bloomberg page ICAP<GO>, IAUS<GO>, 31<GO> (or the page titled 'AUD Interest Rates Swaps') or other electronic media at or around 10.00 am (Sydney time) three Business Days prior to the Redemption Date; and

(B) if ICAP Australia Pty Ltd no longer calculates those rates (or if those rates are not displayed by Bloomberg), the rate determined by the Calculation Agent to be appropriate having regard to market rates and sources then available,

and in the case of either sub-paragraph (A) or (B), plus 0.43%.

20.6 Definitions

For the purposes of this Condition 20:

Group means the group of persons of which the Substitute Issuer is a part of;

Proposed Restructure means any reconstruction, reorganisation or restructure of the operations and/or business of the Issuer which involves the establishment of a new entity or new entities and/or the transfer of assets and liabilities of the Issuer into that entity or those entities;

Relevant Notes means a Series of Notes in respect of which the Issuer intends to substitute itself for a Substitute Issuer as debtor under Condition 20 ("Substitution of Issuer");

Retiring Issuer means an Issuer who substitutes for itself a Substitute Issuer under Condition 20 ("Substitution of Issuer");

Substitute Issuer has the meaning given in Condition 20 ("Substitution of Issuer"); and

Substitution Documents means the documents necessary to effect a substitution of the Issuer under this Condition 20 ("Substitution of Issuer") and in which the Substitute Issuer has undertaken in favour of each Noteholder of the Relevant Notes to be bound by these Conditions, the Agency Agreement and the Deed Poll as the issuer in respect of the Relevant Notes in place of the Retiring Issuer.

SCHEDULE 2

The section of the Information Memorandum entitled "*Programme summary*" is amended and supplemented by deleting the information under the heading "Use of proceeds" and replacing it with the following:

"Use of proceeds

The Notes will be issued as "green bonds" in accordance with the Issuer's Green Bond Framework dated February 2022 (as amended from time to time) (the "Green Bond Framework") which is available at https://online.flippingbook.com/view/282789520/. The Green Bond Framework has been prepared in accordance and is aligned with the Green Bond Principles published by the International Capital Market Association ("Green Bond Principles") which are voluntary process guidelines as accepted as one of the main guidelines for the issuance of green bonds in the capital markets globally.

Framework

The following is a summary of the Green Bond Framework.

1. Use of Proceeds

Proceeds from the issuance of green bonds will be solely used for the purpose of financing or refinancing eligible assets or projects that reduce carbon emissions embedded in building materials. This is determined via the Green Star Buildings Upfront Carbon Emissions credit method via the embodied carbon reduction benchmarks:

Upfront carbon emissions reduction for "standard practice" buildings	Green Start Upfront carbon emissions credit achievement level
< 10%	Minimum requirements for all Green Star Projects
20%	Credit achievement
> 40%	Exceptional performance

The Issuer will target a 20% (or better) reduction in upfront carbon emissions for eligible assets. Upfront carbon emissions reduction for standard practice buildings aligns to eligibility criteria as recognised in the Green Bond Principles and in line with external benchmark of Green Star Buildings.

2. Process for Project Evaluation and Selection

The Issuer has established an evaluation and selection process of eligible assets that will be approved by the Issuer's Transformation Working Group with submissions from the Transformation Operations Group, the Architecture Design Review Group and Corporate Finance. The Issuer is building its city campuses in accordance with urban design principles of a sustainable campus. Buildings or projects that are smaller in scale and impact and projects that enable the move to the city in the short-term, may be excluded as eligible assets.

3. Management of Proceeds

The Issuer's Corporate Finance team will be responsible for tracking and managing the net proceeds, whilst ensuring the total value of green bonds issued does not exceed the total value of eligible assets quantified under the Eligible Assets Register. Corporate Finance will track the allocation of proceeds from the green bonds issued through to allocation to the nominated assets. Allocations will be tracked within the Eligible Asset Register through the term of the green bonds.

In the event that proceeds from any debt issuance is unallocated, or is pending allocation, Corporate Finance will be responsible for the management of these proceeds of which these may be:

- held in the form of cash, or cash equivalent instruments;

- held in temporary investment instruments which are not inconsistent with the delivery of a low carbon and climate resilient economy;
- applied to temporarily reduce indebtedness of a revolving nature before being redrawn for use of eligible assets.

A look back period for the allocation of proceeds to eligible assets from the financing and/or refinancing of bonds, will be no more than 36 months prior to the bond issuance.

4. Reporting

Under the Green Bond Framework, information will be made available in the following reports:

Use of Proceeds and Green Bond Impact report	At least annually, disclosure on the allocation of the net proceeds in a Green Bond Impact Report will contain a list of eligible assets funded by the proceeds.

5. External Review

The Issuer has sought an independent review of the Green Bond Framework and relevant information, including materiality of the information, from Second Party Opinion provider DNV. The Second Party Opinion assures that the Green Bond Framework and subsequent transaction aligns with the relevant Green Bond Principles and standards.

Failure to comply with the Green Bond Framework or the Green Bond Principles

Investors should note that, without limitation, failure to comply with the Green Bond Framework, allocate sufficient proceeds to eligible assets or projects, track and manage the use of proceeds of the Notes, engage a second party opinion provider, provide access to reports or notify investors of changes may impact the value of an investment in the Notes but will not constitute an Event of Default or any other default or breach (howsoever described) under, or of, the Conditions of the Notes. Without limitation, Noteholders will have no right to require redemption of the Notes before the Maturity Date in such circumstances, nor will the Issuer be obliged or entitled to redeem the Notes before the Maturity Date.

The Issuer's obligations under the Notes are not affected by the labelling of the bonds as "green bonds", and any breach of the Notes (including in relation to non-compliance with any laws, directives and consents, whether environmental or otherwise) is to be determined without regard to any such green bond label, the Green Bond Framework or the Green Bond Principles.

If any of the above scenarios occur or if market practices, standards, principles or regulations further develop in a way that is inconsistent with the labelling of the Notes as green bonds, then:

- the Notes may cease to be labelled as "green bonds" but will remain direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.2 ("Negative pledge")) unsecured obligations of the Issuer and the Issuer will make a public statement as such. On and from that point in time, the Green Bond Framework will no longer be relevant to the use of proceeds of the Notes and there is no legal obligation on the Issuer to comply with the Green Bond Framework or the Green Bond Principles on an ongoing basis; and
- Noteholders that invested in the Notes on the basis of the classification of the Notes as green bonds or compliance with the Green Bond Principles may consider that the Notes no longer align with their intentions or requirements. Noteholders looking to sell their bonds at that time may have increased difficulty finding interested buyers or obtaining an acceptable price.

Credit of the Notes

Repayment of, or payment of interest on, the Notes is not linked to the credit or the performance of any eligible assets or projects in any way and investors in Notes do not obtain any interest in any eligible asset or project.

No representation, guarantee or support

The establishment of the Green Bond Framework is not a recommendation to purchase, hold or sell any Notes. The Green Bond Framework is not a substitute for financial and social due diligence and the obligation to conduct this due diligence remains with the investor as it does for other investments.

The Issuer does not make any representation or give any assurance with respect to any other matter relating to the Notes or any eligible assets or projects.

The use of proceeds of the Notes to fund eligible assets or projects does not, and is not in any way intended to, address the likelihood of timely payment of interest when due on the Notes and/or the payment of principal at maturity or any other date.

The Issuer does not, and does not intend to, make any representation or give any assurance with respect to the Green Bond Framework, the reports provided by a second party opinion provider or any other reports prepared in connection with the Green Bond Framework. The Issuer is not responsible for any information, website, standard, report or guidelines published or provided by a second party opinion provider, even where referred to in this Pricing Supplement.

No information contained in or accessible through any website, including the Issuer's website, forms part of this Pricing Supplement or the Information Memorandum.

The Issuer also cannot and does not give any assurance in relation to the actual environmental impact of the Notes or any eligible assets or projects generally."

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Series no.: 1

Tranche no.: 1

UNIVERSITY *of* TASMANIA

University of Tasmania

(ABN 30 764 374 782)

(a statutory corporation established by and governed in accordance with the University of Tasmania Act 1992 (Tas))

Neither the State of Tasmania nor the Commonwealth of Australia guarantees the issue of Notes by University of Tasmania in any way.

A$ Debt Issuance Programme

Issue of

A$280,000,000 3.97% Fixed Rate Notes due 24 March 2032 ("Notes")

The date of this Pricing Supplement is 22 March 2022.

This Pricing Supplement (as referred to in the Information Memorandum dated 28 February 2022 ("**Information Memorandum**") issued by the Issuer) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with, the terms and conditions of the Notes contained in the Information Memorandum, such terms and conditions as supplemented and varied as set out in Schedule 1 to this Pricing Supplement ("**Conditions**"), the Information Memorandum and the Note Deed Poll dated 28 February 2022 made by the Issuer. Certain important additional information is also set out in Schedule 2 to this Pricing Supplement. Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer	:	University of Tasmania (ABN 30 764 374 782)
2	Type of Notes	:	Fixed Rate Notes
3	Method of Distribution	:	Syndicated Issue
4	Joint Lead Managers	:	Commonwealth Bank of Australia (ABN 48 123 123 124) National Australia Bank Limited (ABN 12 004 044 937)
5	Dealers	:	Commonwealth Bank of Australia (ABN 48 123 123 124) National Australia Bank Limited (ABN 12 004 044 937)
6	Registrar	:	[redacted]
7	Issuing and Paying Agent	:	[redacted]
8	Calculation Agent	:	[redacted]
9	If fungible with an existing Series	:	Not Applicable
10	Principal Amount of Tranche	:	A$280,000,000
11	Issue Date	:	24 March 2022
12	Issue Price	:	100.00% of the Principal Amount of Tranche
13	Currency	:	A$
14	Denomination	:	A$10,000, provided that the aggregate consideration payable for the issue and transfer of Notes in Australia will be at least A$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act.

15	Maturity Date	:	24 March 2032
16	Condition 6 (Fixed Rate Notes)	:	Applicable
	Fixed Coupon Amount	:	A$198.50 payable semi-annually in arrear per A$10,000 in principal amount
	Interest Rate	:	3.97% per annum
	Interest Commencement Date	:	Issue Date
	Interest Payment Dates	:	24 March and 24 September in each year, commencing on 24 September 2022, up to, and including, the Maturity Date
	Business Day Convention	:	Following Business Day Convention
	Day Count Fraction	:	RBA Bond Basis
17	Condition 7 (Floating Rate Notes)	:	Not Applicable
18	Minimum / maximum notice period for early redemption for taxation purposes	:	As per Condition 9.2 ("Early redemption for taxation reasons")
19	Condition 9.3 (Noteholder put)	:	Applicable, the Notes are redeemable before their Maturity Date at the option of the Noteholders under Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)")
	Early Redemption Date(s) (Put)	:	As per Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)")
	Minimum / maximum notice period for exercise of Noteholder put	:	As per Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)")
	Relevant conditions to exercise of Noteholder put	:	As per Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)")
	Redemption Amount	:	Outstanding principal amount of that Note at the Early Redemption Date (Put)
20	Condition 9.4 (Issuer call)	:	Applicable, all or some of the Notes are redeemable before their Maturity Date at the option of the Issuer under Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)")
	Early Redemption Date(s) (Call)	:	Any date as specified by the Issuer in the relevant early redemption notice given in accordance with Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)")
	Minimum / maximum notice period for exercise of Issuer call	:	As per Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)")
	Relevant conditions to exercise of Issuer call	:	As per Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)")

	Redemption Amount	:	If the Early Redemption Date (Call) is on or within 90 days prior to the Maturity Date, the Notes are redeemable at their outstanding principal amount together with interest (if any) accrued but unpaid on it to (but excluding) the Early Redemption Date (Call). If the Early Redemption Date (Call) is more than 90 days before the Maturity Date, the Notes are redeemable at the Make-Whole Amount specified below together with interest (if any) accrued but unpaid on it to (but excluding) the Early Redemption Date (Call). For the purposes of Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)"), "**Make-Whole Amount**" means an amount equal to the greater of: (a) the outstanding principal amount of that Note at the Early Redemption Date (Call); and (b) the present value at the Early Redemption Date (Call) of the Note being redeemed, calculated in accordance with the Reserve Bank of Australia Bond Formula for the calculation of the settlement price of fixed income securities (as published on the Issue Date), where the yield that applies is: (i) the mid-market swap rate (expressed as a semi-quarterly coupon matched asset swap rate, referencing the semi-annual rate adjusted for the 6 month-3 month rate as applicable) calculated by ICAP Australia Pty Ltd (determined using linear interpolation as necessary) to the Maturity Date of the Notes as displayed on Bloomberg page ICAP<GO>, IAUS<GO>, 31<GO> (or the page titled 'AUD Interest Rates Swaps') or other electronic media at or around 10.00 am (Sydney time) three Business Days prior to the Early Redemption Date (Call); and (ii) if ICAP Australia Pty Ltd no longer calculates those rates (or if those rates are not displayed by Bloomberg), the rate determined by the Calculation Agent to be appropriate having regard to market rates and sources then available, and in the case of either sub-paragraph (i) or (ii), plus 0.32%.
21	Default Rate	:	Not Applicable
22	Public Offer Test	:	It is the Issuer's intention that this issue of Notes will be issued in a manner which will seek to satisfy the Public Offer Test in section 128F of the Income Tax Assessment Act 1936 of Australia.
23	Additional Conditions	:	See Schedule 1 to this Pricing Supplement
24	Clearing System	:	Austraclear System Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg as described on page 5 of the Information Memorandum
25	ISIN	:	AU3CB0287647
26	Common Code	:	245985681
27	Selling Restrictions	:	As set out in the section entitled "Selling restrictions" in the Information Memorandum

28	Listing	:	Not Applicable
29	Use of proceeds	:	See Schedule 2 to this Pricing Supplement
30	Credit ratings	:	The Notes to be issued are expected to be rated Aa2 by Moody's Investors Service, Inc. *A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.* *Credit ratings are for distribution only to a person who is (a) not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.*

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Confirmed

For and on behalf of
University of Tasmania (ABN 30 764 374 782)

By:

Title: Vice-Chancellor

Date: 22 March 2022

SCHEDULE 1

The Conditions of the Notes as set out in the Information Memorandum are supplemented by adding the following new Condition 20 ("Substitution of Issuer"):

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20 Substitution of Issuer

20.1 Substitution of Issuer

In the event of a Proposed Restructure, the Issuer may, without the consent of the Noteholders, substitute any person incorporated in Australia ("**Substitute Issuer**") as the principal debtor in respect of any or all Series of Relevant Notes provided that:

(a) the Substitute Issuer is a direct or indirect subsidiary of the Retiring Issuer and that there is no material change in the substance of the operations and business of the Retiring Issuer and the Substitute Issuer (and their respective affiliates) taken as a whole;

(b) the Substitute Issuer expressly assumes all the obligations of the Retiring Issuer under the Relevant Notes and has entered into the Substitution Documents;

(c) any two directors of the Substitute Issuer certify that the Substitute Issuer will be solvent immediately after such substitution;

(d) to the extent a person other than the Substituted Issuer holds all, substantially all or a material part of the assets of the Group following the Proposed Restructure, either such person or, such other person who is the direct or indirect parent of the Group, irrevocably and unconditionally guarantees in favour of each Noteholder the payment of all sums payable by the Substitute Issuer in respect of the Relevant Notes on terms which ensure that each Noteholder will be put in an economic position that is at least as favourable as that which would have existed if the substitution had not taken place;

(e) if the Relevant Notes are rated, each public rating agency which has assigned a rating to the Relevant Notes confirms in writing that following such substitution, the rating assigned to the Relevant Notes in force immediately prior to the substitution taking effect shall be maintained or increased;

(f) if the Relevant Notes are not rated and if the Issuer has a long term debt rating, each public rating agency which has assigned a long term debt rating to the Issuer has confirmed that the Substitute Issuer has, immediately prior to the substitution taking effect, a long term debt rating no lower than that then assigned to the Retiring Issuer;

(g) if the Relevant Notes are listed, quoted and/or traded on a stock or securities exchange or other relevant authority, such Notes remain listed on such stock or securities exchange or other relevant authority immediately after the substitution taking effect;

(h) prior to the substitution being effected, the Substitute Issuer warrants and represents to the Noteholders that:

   (i) it has obtained all necessary governmental and regulatory approvals and consents for the substitution;

   (ii) it has obtained all necessary governmental and regulatory approvals and consents for the performance by it of its obligations under the Substitution Documents, the Deed Poll and the Relevant Notes and that they are in full force and effect; and

   (iii) the obligations assumed by it are legal, valid and binding; and

(i) legal opinions have been delivered to the Registrar confirming that, following such substitution:

   (i) the Substitution Documents, the Deed Poll and the Relevant Notes will constitute legal, valid and binding obligations of the Substitute Issuer, enforceable against it;

   (ii) the Substitute Issuer is validly incorporated in its jurisdiction of incorporation;

   (iii) all necessary governmental and regulatory consents are in full force and effect; and

   (iv) amounts payable to the Noteholders of the Relevant Notes will not be reduced by the existence of any applicable Taxes (by deduction from such amounts or otherwise) except for such Taxes (if any) in respect of which the Substitute Issuer has agreed to make compensating payments to those Noteholders.

20.2 Notice and release of Retiring Issuer

(a) Notice of any substitution shall be given to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Relevant Notes are listed, quoted and/or traded within 14 days of the execution of the Substitution Documents and compliance with the other requirements of Condition 20.1 ("Substitution of Issuer").

(b) Any Substitution Document shall, if so expressed, release the Retiring Issuer from any and all of its obligations under the Relevant Notes with effect as of the date of substitution.

20.3 Completion of substitution

On and from the date specified in the notice has been given in accordance with Condition 20.2(a):

(a) the Substitute Issuer shall be, and shall be deemed to be, the principal debtor and to have all of the rights, powers and obligations of the Retiring Issuer in respect of the Relevant Notes as if the Substitute Issuer were originally named in place of the Retiring Issuer;

(b) the Conditions and the Deed Poll shall be deemed to be amended as necessary to give effect to the substitution; and

(c) despite anything contained in these Conditions, the Noteholders, the Registrar, each other Agent and the Retiring Issuer remain entitled to their rights and bound by their obligations in respect of Relevant Notes which have accrued up to and including when the substitution takes effect.

20.4 Consent for substitution of Issuer

If the Issuer proposes to restructure its business in a manner that is not a Proposed Restructure, then the Issuer must, prior to any proposed substitution taking effect, convene a meeting of Noteholders of the Relevant Notes to approve the substitution of the Retiring Issuer with a Substitute Issuer by way of an Extraordinary Resolution of the Noteholders, such approval to be subject to such conditions as may be agreed in the relevant consent.

20.5 Early redemption in the event of no substitution

If the Retiring Issuer is not substituted by the Substitute Issuer in accordance with Condition 20.1 ("Substitution of Issuer") or such substitution is not approved by the Noteholders in accordance with Condition 20.4 ("Consent for substitution of Issuer"), the Issuer may redeem all but not some of the Relevant Notes before their Maturity Date under this Condition 20.5 at the Make-Whole Amount and any interest accrued on it to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

(a) the Issuer has given not less than 30 days' nor more than 60 days' notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Relevant Notes are listed, quoted and/or traded; and

(b) the proposed Redemption Date is any date as specified by the Issuer in the redemption notice given in accordance with paragraph (a) above.

For the purposes of this Condition 20.5, "**Make-Whole Amount**" means an amount equal to the greater of:

(i) the outstanding principal amount of that Note at the Redemption Date; and

(ii) the present value at the Redemption Date of the Note being redeemed, calculated in accordance with the Reserve Bank of Australia Bond Formula for the calculation of the settlement price of fixed income securities (as published on the Issue Date), where the yield that applies is:

(A) the mid-market swap rate (expressed as a semi-quarterly coupon matched asset swap rate, referencing the semi-annual rate adjusted for the 6 month-3 month rate as applicable) calculated by ICAP Australia Pty Ltd (determined using linear interpolation as necessary) to the Maturity Date of the Notes as displayed on Bloomberg page ICAP<GO>, IAUS<GO>, 31<GO> (or the page titled 'AUD Interest Rates Swaps') or other electronic media at or around 10.00 am (Sydney time) three Business Days prior to the Redemption Date; and

(B) if ICAP Australia Pty Ltd no longer calculates those rates (or if those rates are not displayed by Bloomberg), the rate determined by the Calculation Agent to be appropriate having regard to market rates and sources then available,

and in the case of either sub-paragraph (A) or (B), plus 0.32%.

20.6 Definitions

For the purposes of this Condition 20:

Group means the group of persons of which the Substitute Issuer is a part of;

Proposed Restructure means any reconstruction, reorganisation or restructure of the operations and/or business of the Issuer which involves the establishment of a new entity or new entities and/or the transfer of assets and liabilities of the Issuer into that entity or those entities;

Relevant Notes means a Series of Notes in respect of which the Issuer intends to substitute itself for a Substitute Issuer as debtor under Condition 20 ("Substitution of Issuer");

Retiring Issuer means an Issuer who substitutes for itself a Substitute Issuer under Condition 20 ("Substitution of Issuer");

Substitute Issuer has the meaning given in Condition 20 ("Substitution of Issuer"); and

Substitution Documents means the documents necessary to effect a substitution of the Issuer under this Condition 20 ("Substitution of Issuer") and in which the Substitute Issuer has undertaken in favour of each Noteholder of the Relevant Notes to be bound by these Conditions, the Agency Agreement and the Deed Poll as the issuer in respect of the Relevant Notes in place of the Retiring Issuer.

SCHEDULE 2

The section of the Information Memorandum entitled "*Programme summary*" is amended and supplemented by deleting the information under the heading "Use of proceeds" and replacing it with the following:

"Use of proceeds

The Notes will be issued as "green bonds" in accordance with the Issuer's Green Bond Framework dated February 2022 (as amended from time to time) (the "Green Bond Framework") which is available at https://online.flippingbook.com/view/282789520/. The Green Bond Framework has been prepared in accordance and is aligned with the Green Bond Principles published by the International Capital Market Association ("Green Bond Principles") which are voluntary process guidelines as accepted as one of the main guidelines for the issuance of green bonds in the capital markets globally.

Framework

The following is a summary of the Green Bond Framework.

1. Use of Proceeds

Proceeds from the issuance of green bonds will be solely used for the purpose of financing or refinancing eligible assets or projects that reduce carbon emissions embedded in building materials. This is determined via the Green Star Buildings Upfront Carbon Emissions credit method via the embodied carbon reduction benchmarks:

Upfront carbon emissions reduction for "standard practice" buildings	Green Start Upfront carbon emissions credit achievement level
< 10%	Minimum requirements for all Green Star Projects
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> 40%	Exceptional performance

The Issuer will target a 20% (or better) reduction in upfront carbon emissions for eligible assets. Upfront carbon emissions reduction for standard practice buildings aligns to eligibility criteria as recognised in the Green Bond Principles and in line with external benchmark of Green Star Buildings.

2. Process for Project Evaluation and Selection

The Issuer has established an evaluation and selection process of eligible assets that will be approved by the Issuer's Transformation Working Group with submissions from the Transformation Operations Group, the Architecture Design Review Group and Corporate Finance. The Issuer is building its city campuses in accordance with urban design principles of a sustainable campus. Buildings or projects that are smaller in scale and impact and projects that enable the move to the city in the short-term, may be excluded as eligible assets.

3. Management of Proceeds

The Issuer's Corporate Finance team will be responsible for tracking and managing the net proceeds, whilst ensuring the total value of green bonds issued does not exceed the total value of eligible assets quantified under the Eligible Assets Register. Corporate Finance will track the allocation of proceeds from the green bonds issued through to allocation to the nominated assets. Allocations will be tracked within the Eligible Asset Register through the term of the green bonds.

In the event that proceeds from any debt issuance is unallocated, or is pending allocation, Corporate Finance will be responsible for the management of these proceeds of which these may be:

- held in the form of cash, or cash equivalent instruments;

- held in temporary investment instruments which are not inconsistent with the delivery of a low carbon and climate resilient economy;
- applied to temporarily reduce indebtedness of a revolving nature before being redrawn for use of eligible assets.

A look back period for the allocation of proceeds to eligible assets from the financing and/or refinancing of bonds, will be no more than 36 months prior to the bond issuance.

4. Reporting

Under the Green Bond Framework, information will be made available in the following reports:

Use of Proceeds and Green Bond Impact report	At least annually, disclosure on the allocation of the net proceeds in a Green Bond Impact Report will contain a list of eligible assets funded by the proceeds.

5. External Review

The Issuer has sought an independent review of the Green Bond Framework and relevant information, including materiality of the information, from Second Party Opinion provider DNV. The Second Party Opinion assures that the Green Bond Framework and subsequent transaction aligns with the relevant Green Bond Principles and standards.

Failure to comply with the Green Bond Framework or the Green Bond Principles

Investors should note that, without limitation, failure to comply with the Green Bond Framework, allocate sufficient proceeds to eligible assets or projects, track and manage the use of proceeds of the Notes, engage a second party opinion provider, provide access to reports or notify investors of changes may impact the value of an investment in the Notes but will not constitute an Event of Default or any other default or breach (howsoever described) under, or of, the Conditions of the Notes. Without limitation, Noteholders will have no right to require redemption of the Notes before the Maturity Date in such circumstances, nor will the Issuer be obliged or entitled to redeem the Notes before the Maturity Date.

The Issuer's obligations under the Notes are not affected by the labelling of the bonds as "green bonds", and any breach of the Notes (including in relation to non-compliance with any laws, directives and consents, whether environmental or otherwise) is to be determined without regard to any such green bond label, the Green Bond Framework or the Green Bond Principles.

If any of the above scenarios occur or if market practices, standards, principles or regulations further develop in a way that is inconsistent with the labelling of the Notes as green bonds, then:

- the Notes may cease to be labelled as "green bonds" but will remain direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.2 ("Negative pledge")) unsecured obligations of the Issuer and the Issuer will make a public statement as such. On and from that point in time, the Green Bond Framework will no longer be relevant to the use of proceeds of the Notes and there is no legal obligation on the Issuer to comply with the Green Bond Framework or the Green Bond Principles on an ongoing basis; and
- Noteholders that invested in the Notes on the basis of the classification of the Notes as green bonds or compliance with the Green Bond Principles may consider that the Notes no longer align with their intentions or requirements. Noteholders looking to sell their bonds at that time may have increased difficulty finding interested buyers or obtaining an acceptable price.

Credit of the Notes

Repayment of, or payment of interest on, the Notes is not linked to the credit or the performance of any eligible assets or projects in any way and investors in Notes do not obtain any interest in any eligible asset or project.

No representation, guarantee or support

The establishment of the Green Bond Framework is not a recommendation to purchase, hold or sell any Notes. The Green Bond Framework is not a substitute for financial and social due diligence and the obligation to conduct this due diligence remains with the investor as it does for other investments.

The Issuer does not make any representation or give any assurance with respect to any other matter relating to the Notes or any eligible assets or projects.

The use of proceeds of the Notes to fund eligible assets or projects does not, and is not in any way intended to, address the likelihood of timely payment of interest when due on the Notes and/or the payment of principal at maturity or any other date.

The Issuer does not, and does not intend to, make any representation or give any assurance with respect to the Green Bond Framework, the reports provided by a second party opinion provider or any other reports prepared in connection with the Green Bond Framework. The Issuer is not responsible for any information, website, standard, report or guidelines published or provided by a second party opinion provider, even where referred to in this Pricing Supplement.

No information contained in or accessible through any website, including the Issuer's website, forms part of this Pricing Supplement or the Information Memorandum.

The Issuer also cannot and does not give any assurance in relation to the actual environmental impact of the Notes or any eligible assets or projects generally."

UNIVERSITY of TASMANIA

ISSUE NOTICE

Agent	[redacted]
Issuer	University of Tasmania (ABN 30 764 374 782) (*a statutory corporation established by and governed in accordance with the University of Tasmania Act 1992 (Tas)*)
Notes	A$70,000,000 4.45% Fixed Rate Notes due 24 March 2042 ("**Notes**") as further described in the Pricing Supplement dated 22 March 2022 ("**Pricing Supplement**")

Terms defined in the Registry and Agency Services Agreement between the Agent and the Issuer and dated 28 February 2022 ("**Agreement**") have the same meaning in this Issue Notice.

We confirm our instructions to you as Agent to undertake the following services (as set out in the Agreement) in respect of the Tranche of Notes referred to above and further described below.

Services:

(a) issuing agent

(b) registrar

(c) paying agent

(d) calculation agent

Details of Notes:

Summary:	A$70,000,000 4.45% Fixed Rate Notes due 24 March 2042
Full Name of Issuer:	University of Tasmania
Type of Note:	Fixed Rate Notes
Principal Amount of Tranche:	A$70,000,000
Aggregate Principal Amount of Series:	A$70,000,000
Issue Date:	24 March 2022
Maturity Date:	24 March 2042
Interest Commencement Date:	Issue Date
Interest Payment Dates:	Semi-annually, 24 March and 24 September in each year, commencing on 24 September 2022, up to, and including, the Maturity Date
Record date:	As per the Conditions
Business Day Places:	Sydney and Melbourne
ISIN:	AU3CB0287654

Trade details

Counterparty:	(a) Commonwealth Bank of Australia (b) Austraclear code: CBAA25
Trade type:	Delivery vs Payment
Consideration Amount:	A$70,000,000

Please transfer the Consideration Amount on the Issue Date to:

[redacted]

Yours sincerely

University of Tasmania

By:

Authorised Officer

Date: 22 March 2022

UNIVERSITY of TASMANIA

ISSUE NOTICE

Agent	[redacted]
Issuer	University of Tasmania (ABN 30 764 374 782) (*a statutory corporation established by and governed in accordance with the University of Tasmania Act 1992 (Tas)*)
Notes	A$280,000,000 3.97% Fixed Rate Notes due 24 March 2032 ("**Notes**") as further described in the Pricing Supplement dated 22 March 2022 ("**Pricing Supplement**")

Terms defined in the Registry and Agency Services Agreement between the Agent and the Issuer and dated 28 February 2022 ("**Agreement**") have the same meaning in this Issue Notice.

We confirm our instructions to you as Agent to undertake the following services (as set out in the Agreement) in respect of the Tranche of Notes referred to above and further described below

Services:

(a) issuing agent

(b) registrar

(c) paying agent

(d) calculation agent

Details of Notes:

Summary:	A$280,000,000 3.97% Fixed Rate Notes due 24 March 2032
Full Name of Issuer:	University of Tasmania
Type of Note:	Fixed Rate Notes
Principal Amount of Tranche:	A$280,000,000
Aggregate Principal Amount of Series:	A$280,000,000
Issue Date:	24 March 2022
Maturity Date:	24 March 2032
Interest Commencement Date:	Issue Date
Interest Payment Dates:	Semi-annually, 24 March and 24 September in each year, commencing on 24 September 2022, up to, and including, the Maturity Date
Record date:	As per the Conditions
Business Day Places:	Sydney and Melbourne
ISIN:	AU3CB0287647

Trade details

Counterparty:	(a)	Commonwealth Bank of Australia
	(b)	Austraclear code: CBAA25
Trade type:	Delivery vs Payment	
Consideration Amount:	A$280,000,000	

Please transfer the Consideration Amount on the Issue Date to:

[redacted]

Yours sincerely

University of Tasmania

By:

Authorised Officer

Date: 22 March 2022

Information Memorandum
28 February 2022

University of Tasmania

(ABN 30 764 374 782)

(*a statutory corporation established by and governed in accordance with the University of Tasmania Act 1992 (Tas))*

Neither the State of Tasmania nor the Commonwealth of Australia guarantees the issue of Notes by University of Tasmania in any way.

A$ Debt Issuance Programme

Arrangers & Dealers
Commonwealth Bank of Australia
National Australia Bank Limited

Contents

Important notices 1

1. Programme summary 3
2. Information about University of Tasmania 8
3. Selling restrictions 9
4. Summary of certain taxation matters 13
5. Other important matters 16
6. Conditions of the Notes 17
7. Form of Pricing Supplement 39
8. Glossary 44

Directory 47

Important notices

This Information Memorandum

This Information Memorandum relates to a debt issuance programme ("**Programme**") established by University of Tasmania (the "**Issuer**" or "**UTAS**"), under which it may issue Notes from time to time. It has been prepared by, and is issued with the authority of, the Issuer.

The Notes are not obligations of any government and, in particular, are not guaranteed by the State of Tasmania or the Commonwealth of Australia.

The Issuer accepts responsibility for the information contained in this Information Memorandum (other than the Programme Participant Information).

Terms used in this Information Memorandum but not otherwise defined have the meanings given to them in section 8 (*Glossary*) and/or will otherwise be interpreted as provided in the Conditions.

Place of issuance

Subject to applicable laws and directives, the Issuer may issue Notes under the Programme in any country including Australia and countries in Europe and Asia but (subject to the below) not in the United States. The Notes have not been, and will not be, registered under the U.S. Securities Act and, accordingly, the Notes may not be offered, sold, delivered or transferred, at any time, within the United States or to, or for the account or benefit of, U.S. persons, except in a transaction exempt from the registration requirements of the U.S. Securities Act.

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer or any Programme Participant to any person in any jurisdiction to subscribe for, purchase or otherwise deal in any Notes.

The distribution and use of this Information Memorandum, including any Issue Materials, and the offer or sale of Notes may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about them and observe any such restrictions.

In particular:

- this Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act. Neither this Information Memorandum nor any other disclosure document in relation to the Notes has been, or will be, lodged with ASIC or any other governmental body or agency; and
- no action has been taken by the Issuer or any Programme Participant Party which would permit a public offering of any Notes or distribution of this Information Memorandum or any Issue Materials in any jurisdiction where action for that purpose is required (including circumstances that would require disclosure under Part 6D.2 or 7.9 of the Corporations Act).

For a description of certain restrictions on offers, sales and deliveries of the Notes, and on distribution of this Information Memorandum and any other Issue Materials, see section 3 (*Selling restrictions*).

No independent verification

The only role of each of the Programme Participants in the preparation of this Information Memorandum has been to confirm to the Issuer that the Programme Participant Information relating to itself is accurate as at the Preparation Date.

Apart from the foregoing, no Programme Participant Party has independently verified any information contained in this Information Memorandum and each such person disclaims any responsibility, and disclaims all and any liability whether arising in tort or contract or otherwise, for such information. No representation, warranty or undertaking, express or implied, is made, to the fullest extent permitted by law, no responsibility or liability is accepted, by any of them, in relation to the accuracy or completeness of this Information Memorandum, any Issue Materials or any further information supplied by the Issuer in connection with the Programme or any Notes.

Each Programme Participant expressly does not undertake to review the financial condition or affairs of the Issuer or any of its affiliates at any time or to advise any Noteholder, any potential investor in Notes or any other person of any information coming to their attention with respect to the Issuer and makes no representations as to the ability of the Issuer to comply with its obligations under the Notes. No Programme Participant makes any representation as to the performance of the Issuer, the maintenance of capital or any particular rate of return, nor does any Programme Participant guarantee the payment of capital or any particular rate of capital or income return, in each case, on any Notes.

Investors to make independent investment decision and obtain professional advice

This Information Memorandum contains only summary information concerning the Issuer, the Programme and the Notes. Neither the information contained in this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Notes (1) is intended to provide the basis of any credit or other evaluation and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of those things) by the Issuer or any Programme Participant Party that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or the issue of any Notes should subscribe for, purchase or otherwise deal in any Notes or any rights in respect of any Notes, or (2) describes the risks of an investment in any Notes.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Notes or any rights in respect of any Notes should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer and the risks of an investment in any Notes;
- determine for themselves the relevance of the information contained in this Information Memorandum (including all information incorporated by reference and forming part of this Information Memorandum) and any other information supplied in connection with the Programme or the issue of any Notes, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and
- consult their own financial, legal, tax and professional advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.

No accounting, regulatory, investment, legal, tax or other professional advice is given in respect of an investment in any Notes or rights in respect of them.

In particular, if any financial product advice is, in fact, held to have been given by the Issuer in relation to Notes issued in connection with this Information Memorandum, it is general advice only. The Issuer does not hold an AFSL and is not licensed to provide financial product advice in relation to the Notes. No cooling-off regime applies to investors of Notes.

MiFID II Product Governance / UK MiFIR Product Governance / Target Market

The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" and/or "UK MiFIR Product Governance", as applicable, which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II and/or the UK MiFIR Product Governance Rules, as applicable, is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules and/or the UK MiFIR Product Governance Rules, as applicable, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arrangers, the Dealers and any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules and/or the UK MiFIR Product Governance Rules, as applicable.

IMPORTANT – EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore

Unless otherwise stated in the Pricing Supplement in respect of any Notes, the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

1. Programme summary

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, the applicable Conditions and relevant Pricing Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions, or if not defined in the Conditions, in section 8 (Glossary). A reference to a "Pricing Supplement" does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a Pricing Supplement in relation to a particular Tranche or Series of Notes.

The Programme	
Issuer	University of Tasmania (ABN 30 764 374 782) (a statutory corporation established and governed in accordance with the *University of Tasmania Act 1992* (Tas))
Programme description	A non-underwritten debt issuance programme under which, subject to applicable laws and directives, the Issuer may elect to issue Notes in the Australian wholesale debt capital market in registered uncertificated form. Neither the State of Tasmania nor the Commonwealth of Australia guarantees the issue of Notes by the University of Tasmania in any way.
Programme amount	There is no limit on the aggregate principal amount of Notes which may be issued by the Issuer under the Programme.
Programme term	The Programme continues until terminated by the Issuer giving notice to the Arrangers and the Dealers then appointed to the Programme generally.
Programme Participants	
Arrangers and Dealers	Commonwealth Bank of Australia National Australia Bank Limited Contact details and particulars of the ABN and AFSL for the Arrangers and the Dealers are set out in the *Directory* section. Additional Dealers may be appointed by the Issuer from time to time for a specific Tranche or Series (details of such appointment may be set out in the relevant Pricing Supplement) or to the Programme generally.
Registrar	[redacted] Contact details and particulars for the Registrar are set out in the *Directory* section. Details of the appointment of any alternative or additional Registrar in respect of a Tranche or Series will be set out in the relevant Pricing Supplement.
Issuing and Paying Agent	[redacted] Contact details and particulars for the Issuing and Paying Agent are set out in the *Directory* section. Details of the appointment of any alternative or additional Issuing and Paying Agent in respect of a Tranche or Series will be set out in the relevant Pricing Supplement.
Calculation Agent	If a Calculation Agent is required for the purpose of calculating any amount or making any determination under any Tranche or Series, such appointment will be set out in the relevant Pricing Supplement. If no Calculation Agent is specified in the relevant Pricing Supplement, the calculation of interest, principal and other payments in respect of the relevant Notes will be made by the Issuer.

The Notes	
Offer and issue	Notes will be issued in Series. Each Series may comprise one or more Tranches having one or more Issue Dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the Issue Price and the first payment of interest). The Notes of each Tranche of a Series are intended to be fungible with the other Tranches of Notes of that Series to the extent permitted by law or directive. A Pricing Supplement will be issued by the Issuer in respect of each Tranche of Notes.
Form	Notes will be issued in registered uncertificated form by entry in the Register. Notes are debt obligations of the Issuer constituted by, and owing under, the relevant Deed Poll (which will be specified in the relevant Pricing Supplement) and the details of which are recorded in, and evidenced by entry in, the Register.
Status and ranking	Notes will constitute direct, unconditional, unsubordinated and (subject to Condition 4.2 ("Negative pledge")) unsecured obligations of the Issuer and will rank equally and rateably in right of payment, and without any preference among themselves and at least equally with all other present or future unsecured and unsubordinated obligations of the Issuer, except indebtedness required to be preferred by law.
Negative pledge	The Notes will have the benefit of a negative pledge, as set out in Condition 4.2 ("Negative pledge").
Events of Default	The terms of the Notes provide for events of default, as set out in Condition 13.1 ("Events of Default").
Maturities	Notes may have any maturity as specified in the relevant Pricing Supplement.
Currencies	Notes will be denominated in Australian dollars or in such other currency specified in the relevant Pricing Supplement.
Issue Price	Notes may be issued at any price as specified in the relevant Pricing Supplement.
Interest	Notes may or may not bear interest. Interest (if any) may be at a fixed, floating or another variable rate as specified in the relevant Pricing Supplement.
Denomination	Subject to all applicable laws and directives, Notes will be issued in the single denomination specified in the relevant Pricing Supplement.
Title	Entry of the name of the person in the Register in respect of a Note in registered form constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of that Note subject to correction for fraud or proven error. Title to Notes which are held in a Clearing System will be determined in accordance with the rules and regulations of the relevant Clearing System. Notes which are held in the Austraclear System will be registered in the name of Austraclear. No certificates in respect of any Notes will be issued unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or directive.
Payments and Record Date	Payments to persons who hold Notes through a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System. The Record Date for payments of principal and interest is 5.00 pm in the place where the Register is maintained on the eighth calendar day before a payment date.
Redemption	Notes may be redeemed prior to scheduled maturity as more fully set out in the Conditions and the applicable Pricing Supplement. Notes entered in a Clearing System will be redeemed through that Clearing System in a manner that is consistent with the rules and regulations of that Clearing System.

Transactions relating to the Notes	
Clearing Systems	The Issuer intends that Notes will be transacted within a Clearing System. The Issuer intends to apply to Austraclear for approval for any Notes to be traded on the Austraclear System. Upon approval by Austraclear, those Notes will be traded through Austraclear in accordance with the rules and regulations of the Austraclear System. Such approval by Austraclear is not a recommendation or endorsement by Austraclear of such Notes. Interests in the Notes traded in the Austraclear System may be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Notes in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently, HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Notes in Clearstream, Luxembourg would be held in the Austraclear System by a nominee of Clearstream, Luxembourg (currently, BNP Paribas Securities Services, Australia Branch). The rights of a holder of interests in a Note held through the Austraclear System are subject to the rules and regulations of the Austraclear System. The rights of a holder of interests in a Note held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Note, which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions. The Issuer is not responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.
Selling restrictions	The offer, sale and delivery of Notes, and the distribution of this Information Memorandum and Issue Materials, are subject to such restrictions as may apply in any jurisdiction in connection with the offer and sale of a particular Tranche or Series. Certain restrictions are described in section 3 (*Selling restrictions*).
Transfer procedure	Notes may only be transferred in whole and in accordance with the Conditions. In particular, Notes may only be transferred if: (a) in the case of Notes to be transferred in, or into, Australia: (i) the offer or invitation giving rise to the transfer is for an aggregate consideration of at least A$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the transferor or its associates) or does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and (ii) the offer or invitation giving rise to the transfer is not an offer or invitation to a "retail client" for the purposes of section 761G of the Corporations Act; and (b) at all times, the transfer complies with all applicable laws and directives of the jurisdiction where the transfer takes place. Transfers of Notes held in a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.

Other matters	
Taxes, withholdings and deductions	All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of, any present or future Taxes unless such withholding or deduction is required by law. In the event that any withholding or deduction on payments in respect of the Notes for or on account of any present or future Taxes is required to be deducted or withheld by Australia or any political subdivision thereof or any authority therein or thereof having the power to tax, the Issuer will, save in certain limited circumstances provided in Condition 11 ("Taxation"), be required to pay such additional amounts on the Notes as will result in receipt by Noteholders of such amounts (after all such withholding or deduction, including on any additional amounts) as would have been received had no such withholding or deduction been required. It is the intention that Notes issued by the Issuer will be issued in a manner which satisfies the public offer test in section 128F of the Income Tax Assessment Act 1936 of Australia. A brief overview of the Australian taxation treatment of payments of interest on Notes and of FATCA and the Common Reporting Standard is set out in section 4 (*Summary of certain taxation matters*). ***Investors who are in any doubt as to their tax position should obtain their own taxation and other applicable advice regarding the taxation and other fiscal status of investing in Notes.***
Stamp duty	As at the date of this Information Memorandum, no *ad valorem* stamp duty is payable in any Australian State or Territory on the issue, transfer or redemption of the Notes. However, investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Notes, or interests in Notes, in any jurisdiction.
Listing	It is not intended that the Notes will be listed on any stock or securities exchange or quoted on a quotation system. However, an application may be made for the Issuer to be admitted to the official list of, and/or Notes of a particular Series to be quoted on, the ASX or on any other stock or securities exchange or quotation system (in accordance with applicable laws and directives). The applicable Pricing Supplement in respect of the issue of any Tranche of Notes will specify whether or not such Notes will be quoted on any stock or securities exchange.
Credit ratings	Notes may be rated by one or more rating agencies. The credit rating of an individual Tranche or Series of Notes will be specified in the relevant Pricing Supplement for those Notes (or another supplement to this Information Memorandum). ***A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. Each credit rating should be evaluated independently of any other credit rating.*** *Credit ratings are for distribution only to a person who is (a) not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.*
Meetings	The Conditions and the Deed Poll contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally, and for the passing of resolutions by a vote or circulating resolution. These provisions permit defined majorities to bind all Noteholders of a Series, including Noteholders who did not attend and vote at the relevant meeting or did not sign a circulating resolution and Noteholders who voted in a manner contrary to the majority.

Use of proceeds	The net proceeds from each issue of Notes will be used for the Issuer's general corporate purposes or as may otherwise be disclosed in the applicable Pricing Supplement.
Governing law	The Notes and all related documentation will be governed by the laws of New South Wales, Australia.
Other Notes	The Issuer may from time to time issue Notes in a form not specifically contemplated in this Information Memorandum. Terms applicable to any other type of Note that the Issuer and any relevant Dealer(s) or other investor(s) may agree to issue under this Programme will be set out in the relevant Pricing Supplement or another supplement to this Information Memorandum.
Investors to obtain independent advice with respect to investment and other risks	***An investment in Notes issued under the Programme involves certain risks. This Information Memorandum does not describe the risks of an investment in any Notes, risks related to the Issuer or otherwise. Prospective investors should consult their own financial, legal, tax and other professional advisers about risks associated with an investment in any Notes and the suitability of investing in the Notes in light of their particular circumstances.***

2. Information about University of Tasmania

University of Tasmania

The University of Tasmania was established by an act of Parliament of Tasmania on 1 January 1890. The present UTAS was formed in 1991 through a merger of the University of Tasmania with the Tasmanian State Institute of Technology (founded in 1968). UTAS' current enabling legislation is the University of Tasmania Act 1992 of Australia. Under the provisions of the Act, the University Council is required to report to the Governor of Tasmania and to the Minister for Education of Tasmania.

UTAS has campuses in Hobart, Launceston and Burnie in Tasmania, Australia as well as a campus in Sydney, New South Wales, Australia.

UTAS' registered address is 2 Churchill Avenue, Sandy Bay Tasmania 7005, Australia.

Further information about the Issuer, including annual reports, is available at: www.utas.edu.au.

Documents incorporated by reference

The following documents (including any that are published or issued from time to time after the date of this Information Memorandum) are incorporated in, and taken to form part of, this Information Memorandum:

- the most recently published audited consolidated financial statements (including the auditor's report thereon and notes thereto) of the Issuer;
- all supplements or amendments to this Information Memorandum circulated by the Issuer from time to time;
- for an issue of Notes, the relevant Pricing Supplement and all documents stated therein to be incorporated in this Information Memorandum; and
- all other documents issued by the Issuer and stated to be incorporated in this Information Memorandum by reference.

Potential investors may refer to the financial statements of the Issuer to the extent incorporated within the Issuer's annual reports which are available online (free of charge) at the Issuer's website (https://www.utas.edu.au/university-council/university-reports).

The Issuer will provide an investor upon request and free of charge with a copy of this Information Memorandum and any or all of the documents incorporated by reference in this Information Memorandum.

See also section 5 (*Other important matters – Documents incorporated by reference*) for further information on how these and other materials form part of this Information Memorandum, including what information is not incorporated by reference and what information does not form part of this Information Memorandum.

3. Selling restrictions

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute or publish this Information Memorandum or any other Issue Materials except if the offer or invitation, or distribution or publication, complies with all applicable laws and directives.

Neither the Issuer nor any Programme Participant has represented that any Notes may at any time lawfully be offered or sold, or that this Information Memorandum or any Issue Materials may be distributed, in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale or distribution.

In addition to the above, the following selling and distribution restrictions apply.

1 General

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Information Memorandum, Issue Materials or any other offering material in any country or jurisdiction where action for that purpose is required.

Persons into whose hands come this Information Memorandum, Issue Materials or other offering material are required by the Issuer, the Arrangers and each Dealer to comply with all applicable laws and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Notes or have in their possession or distribute or publish the Information Memorandum, Issue Materials or other offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Notes under any applicable law or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and none of the Issuer, the Arrangers or any Dealer has responsibility for such matters. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

In particular, there are restrictions on the offer or sale of Notes and on the distribution of this Information Memorandum in Australia, the United States, the UK, Hong Kong, Japan, Singapore and a prohibition of sales to EEA and UK retail investors as follows.

2 Australia

The Information Memorandum has not been, and no prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been, or will be, lodged with ASIC.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

(a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any Information Memorandum, Issue Materials or any other offering material or advertisement relating to any Notes in Australia,

unless:

(i) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;

(ii) the offer or invitation does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Corporations Act;

(iii) such action complies with any applicable laws and directives in Australia; and

(iv) such action does not require any document to be lodged with ASIC.

3 United States

The Notes have not been, and will not be, registered under the U.S. Securities Act.

Terms used in the following four paragraphs have the meanings given to them by Regulation S.

The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or in transactions exempt from the registration requirements of the U.S. Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates and any person acting on its or their behalf will not offer or sell the Notes constituting part of its allotment within the United States, or to, or for the account or benefit of, U.S. persons, or engage in “directed selling efforts” (as such term is defined in Regulation S):

(a) as part of its distribution at any time; and

(b) otherwise until 40 days after completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the lead manager,

except in an offshore transaction in accordance with Rule 903 of Regulation S.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or other notice substantially to the following effect:

> "*The Notes covered hereby have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of such Dealer's distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of Notes of which such Notes are a part, except in either case in accordance with Rule 903 of Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S.*"

Until 40 days after the completion of the distribution of all Notes of the Tranche of which those Notes are a part, an offer or sale of Notes within the United States by any Dealer acting in relation to that Tranche or other distributor (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the U.S. Securities Act.

4 United Kingdom

Prohibition of sales to UK retail investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer.

5 Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than:

  (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or

  (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (as amended) (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, (in each case whether in Hong Kong or elsewhere) any advertisement, invitation, other offering material or other document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

6 Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes directly or indirectly in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, directives and ministerial guidelines of Japan.

7 Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum, Issue Materials or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any persons in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is, or will be, given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

8 Prohibition of sales to EEA retail investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

9 Variation

These selling restrictions may be amended, varied, replaced or otherwise updated from time to time in accordance with the Dealer Agreement. Any change may be set out in a Pricing Supplement or in another supplement to this Information Memorandum.

10 Arrangements with Dealers

Under the Dealer Agreement and subject to the Conditions, the Notes may be offered by the Issuer through a Dealer. The Issuer has the sole right to accept any offer to purchase Notes and may reject that offer in whole or (subject to the terms of the offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more financial institutions as a Dealer for a particular Tranche of Notes or the Programme generally. At the time of any appointment, each such financial institution will be required to represent and agree to the selling restrictions applicable at that time.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree to comply with any applicable law or directive in any jurisdiction in which it subscribes for, offers, sells or transfers Notes and that it will not, directly or indirectly, subscribe for, offer, sell or transfer Notes or distribute any Information Memorandum, Issue Materials or other offering material in relation to the Notes, in any jurisdiction, except in accordance with these selling restrictions, any additional restrictions which are set out in the Pricing Supplement or in another supplement to this Information Memorandum and any applicable law or directive of that jurisdiction.

4. Summary of certain taxation matters

Australian taxation

*The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts 1936 and 1997 of Australia (together, the "**Australian Tax Act**"), at the date of this Information Memorandum, of payments of interest on the Notes and certain other Australian tax matters.*

It is a general guide and should be treated with appropriate caution. The summary is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person). In addition, this summary does not consider the Australian tax consequences for persons who hold interests in the Notes through Austraclear, Euroclear, Clearstream, Luxembourg or another clearing system.

Prospective Noteholders should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that Series of Notes. Information regarding taxes in respect of Notes may also be set out in the relevant Pricing Supplement.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of Notes. Prospective holders of Notes who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

This summary applies to holders that are:

- *residents of Australia for tax purposes that do not hold their Notes, and do not derive any payments under the Notes, in carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that hold their Notes, and derive all payments under the Notes, in carrying on a business at or through a permanent establishment in Australia ("**Australian Holders**"); and*
- *non-residents of Australia for tax purposes that do not hold their Notes, and do not derive any payments under the Notes, in carrying on a business at or through a permanent establishment in Australia, and residents of Australia for tax purposes that hold their Notes, and derive all payments under the Notes, in carrying on a business at or through a permanent establishment outside of Australia ("**Non-Australian Holders**").*

Australian interest withholding tax

The Australian Tax Act characterises securities as either "debt interests" (for all entities) or "equity interests" (for companies), including for the purposes of Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act ("**Australian IWT**") and dividend withholding tax. For Australian IWT purposes, "interest" is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts. The Issuer intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 and the returns paid on the Notes are to be "interest" for the purpose of section 128F of the Australian Tax Act.

Australian Holders

Payments of interest in respect of the Notes to Australian Holders should not be subject to Australian IWT.

Non-Australian Holders

Australian IWT is payable at a rate of 10% of the gross amount of interest paid by the Issuer to a Non-Australian Holder, unless an exemption is available.

Section 128F exemption from Australian IWT

An exemption from Australian IWT is available in respect of interest paid on the Notes if the requirements of section 128F of the Australian Tax Act are satisfied.

In broad terms, the requirements are as follows:

- the Issuer is a resident of Australia and a company as defined in section 128F(9) of the Australian Tax Act when it issues those Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- those Notes are issued in a manner which satisfies the public offer test in section 128F of the Australian Tax Act. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering those Notes for issue. Only one of the five methods needs to be satisfied. In summary, the five methods are:
  - (a) offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
  - (b) offers to 100 or more investors of a certain type;
  - (c) offers of listed Notes;
  - (d) offers via publicly available information sources; or
  - (e) offers to a dealer, manager or underwriter who offers to sell those Notes within 30 days by one of the preceding methods;
- the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes, or interests in the Notes, were being, or would later be, acquired, directly or indirectly, by an "associate" of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act; and
- at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an "associate" of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

Compliance with section 128F of the Australian Tax Act

Unless otherwise specified in any relevant Pricing Supplement or another relevant supplement to this Information Memorandum, the Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Exemptions under certain double tax conventions

The Australian Government has concluded double tax conventions ("**Specified Treaties**") with a number of countries (each a "**Specified Country**") which contain certain exemptions from Australian IWT. The Specified Treaties apply to interest derived by a resident of a Specified Country.

In broad terms, the Specified Treaties effectively prevent Australian IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- a "financial institution" which is a resident of a "Specified Country" and which is unrelated to and dealing wholly independently with the Issuer. The term "financial institution" refers to either a bank or other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

Payment of additional amounts

As set out in more detail in the Conditions of the Notes, and unless expressly provided to the contrary in any relevant supplement to this Information Memorandum, if the Issuer is at any time required by law to deduct or withhold an amount in respect of any withholding taxes imposed or levied by Australia or any political subdivision thereof or any authority therein or thereof having the power to tax in respect of the Notes, the Issuer must, subject to certain exceptions, pay such Additional Amounts as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required. In broad terms, if the Issuer is required, as a result of any change in, or amendment to, an Australian law after the issue date to pay an Additional Amount in respect of a Note, the Issuer will have the option to redeem all (but not some) of the Notes in accordance with the relevant Conditions.

Other Australian tax matters

Under Australian laws as presently in effect:

- *stamp duty and other taxes* – no *ad valorem* stamp, issue, registration or similar taxes are payable in any Australian State or Territory on the issue, transfer or redemption of any Notes;
- *TFN/ABN withholding* – withholding tax is imposed (currently at the rate of 47%) on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**"), (in certain circumstances) an Australian Business Number ("**ABN**") or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then such withholding should not apply to payments to a Non-Australian Holder that is a non-resident of Australia for Australian tax purposes;
- *additional withholdings from certain payments to non-residents* – the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current Australian IWT rules or specifically exempt from those rules). Regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The possible application of any future regulations to the proceeds of any sale of the Notes will need to be monitored;
- *GST* – neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or a GST free supply (in the case of an offshore subscriber of a Note that is a non-resident). Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia;
- *supply withholding tax* – payments in respect of the Notes can be made free and clear of any "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act 1953 of Australia ("**TAA**"); and
- *garnishee directions by the Commissioner of Taxation* – the Commissioner of Taxation may give a direction requiring the Issuer to deduct from any payment to a holder of the Notes any amount in respect of Australian tax payable by the holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction.

U.S. Foreign Account Tax Compliance Act and OECD Common Reporting Standard

U.S. Foreign Account Tax Compliance Act

Under sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**"), a 30% withholding ("**FATCA withholding**") may be required if (i)(A) an investor does not provide information sufficient for the Issuer or any other non-U.S. financial institution ("**FFI**") through which payments on the Notes are made to determine the Noteholder's status under FATCA, or (B) an FFI to or through which payments on the Notes are made is a "non-participating FFI"; and (ii) the Notes are treated as debt for U.S. federal income tax purposes and the payment is made in respect of Notes issued or modified after the date that is six months after the date on which final regulations defining the term "foreign passthru payment" are filed with the U.S. Federal Register, or the Notes are treated as equity for U.S. federal income tax purposes or do not have a fixed term, whenever issued.

FATCA withholding is not expected to apply on payments made before the date that is two years after the date on which final regulations defining the term “foreign passthru payment” are filed with the U.S. Federal Register.

Reporting Australian Financial Institutions (“**RAFIs**”) under the Australia–U.S. FATCA Intergovernmental Agreement dated 28 April 2014 (“**Australian IGA**”) must comply with specific due diligence procedures. In general, these procedures seek to identify account holders and provide the Australian Taxation Office (“**ATO**”) with information on financial accounts held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Noteholders may be requested to provide certain information and certifications to the Issuer and to any other financial institutions through which payments on the Notes are made. A RAFI that complies with its obligations under the Australian IGA will not be subject to FATCA withholding on amounts it receives, and will not be required to deduct FATCA withholding from payments it makes, other than in certain prescribed circumstances.

In the event that any amount is required to be withheld or deducted from a payment on the Notes as a result of FATCA, pursuant to the terms and conditions of the Notes, no additional amounts will be paid by the Issuer as a result of the deduction or withholding.

OECD Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (“**CRS**”) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

The Australian Government has enacted legislation amending, among other things, the TAA to give effect to the CRS.

5. Other important matters

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference. It shall, unless otherwise expressly stated, be read and construed on the basis that such documents form part of this Information Memorandum. Any statement contained in this Information Memorandum shall be modified, replaced or superseded to the extent that a statement contained in any document subsequently incorporated by reference into this Information Memorandum modifies, replaces or supersedes such statement (including whether expressly or by implication or in whole or in part).

No other information, including any information in any document incorporated by reference in a document incorporated herein or documents or information that is publicly filed, is incorporated by reference into this Information Memorandum unless otherwise expressly stated. Any internet site addresses provided in this Information Memorandum are for reference only and, unless expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum.

Copies of documents which are incorporated by reference in this Information Memorandum may be obtained upon request, free of charge as described in section 2 (*Information about University of Tasmania – Documents incorporated by reference*) or from such other person specified in a Pricing Supplement.

Supplementing this document

A Pricing Supplement or a supplement to this Information Memorandum may supplement, amend, modify or replace any statement or information set out in this Information Memorandum, a Pricing Supplement or incorporated by reference in this Information Memorandum or a supplement to this Information Memorandum.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct as of its date of delivery, that any other information supplied in connection with the Programme or the issue of Notes is correct or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer at any time subsequent to the Preparation Date. In particular, the Issuer is not under any obligation to any person to update this Information Memorandum at any time after an issue of Notes.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, the Programme or the issue or sale of the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer or any Programme Participant Party.

Role of the Programme Participants

Each Programme Participant is acting solely as an arm's length contractual counterparty and not as an advisor or fiduciary to the Issuer or any prospective purchaser of the Notes. Furthermore, neither the receipt of this Information Memorandum or any Issue Materials by any person nor any other matter shall be deemed to create or give rise to an advisory or fiduciary duty (or any other duty) or relationship between the Programme Participant and that person (including, without limitation, in respect of the preparation and due execution of the documents in connection with the Programme or any Notes and the power, capacity or authorisation of any other party to enter into and execute such documents). No reliance may be placed on the Programme Participants for financial, legal, taxation, accounting or investment advice or recommendations of any sort.

The Programme Participant Parties are involved in a wide range of financial services and businesses including securities trading and brokerage activities and providing commercial and investment banking, investment management, corporate finance, credit and derivative, trading and research products and services, out of which conflicting interests or duties may arise. In the ordinary course of these activities, the Programme Participant Parties or the funds which they manage or advise or the funds within which they may have a direct or indirect interest, may from time to time have long or short positions in, or buy and sell (on a principal basis or otherwise), or have pecuniary or other interests in, or act as a market maker in, the Notes or securities, derivatives, commodities, futures or options identical or related to the Notes and may trade or otherwise effect transactions, for its own account or the accounts of investors or any other party that may be involved in the issue of Notes or the Programme. The Programme Participant Parties may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

The Issuer has agreed to pay fees to the Agents for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme and the offer and sale of Notes.

The Issuer may also pay any Dealer or any other person a fee in respect of the Notes subscribed by it, may agree to reimburse the Dealers for certain expenses incurred in connection with the Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of Notes.

6. Conditions of the Notes

The following are the Conditions which, as supplemented, amended, modified or replaced by an applicable Pricing Supplement, apply to each Note constituted by, and owing under, the Deed Poll (specified in the Pricing Supplement). References to the "Pricing Supplement" in these conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Pricing Supplement in relation to a particular Series of Notes. Each Noteholder, and each person claiming through or under each such Noteholder, is bound by and is deemed to have notice of, the Information Memorandum, the provisions of the Deed Poll and these Conditions (including any Pricing Supplement). Copies of these documents are available for inspection upon request.

1 Interpretation

1.1 Definitions

In these Conditions the following expressions have the following meanings:

Additional Amount means an additional amount payable by the Issuer under Condition 11.2 ("Withholding tax");

Agency Agreement means:

(a) the agreement entitled "Registry and Agency Services Agreement" dated 28 February 2022 between the Issuer and [redacted]

(b) any other agreement between the Issuer and a Registrar in relation to the establishment and maintenance of a Register (and/or the performance of any payment or other duties) for any issue of Notes; and/or

(c) any other agency agreement between the Issuer and an Agent in connection with any issue of Notes;

Agent means each of the Registrar, the Issuing and Paying Agent, the Calculation Agent and any additional agent appointed under an Agency Agreement, or any of them as the context requires;

ASX means the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691);

Austraclear means Austraclear Ltd (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as the "Austraclear Regulations", together with any instructions or directions, (as amended or replaced from time to time) established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system;

Australian Accounting Standards means, for a person:

(a) all accounting standards or principles that it is required to comply with by an Australian law; and

(b) except to the extent inconsistent with paragraph (a), generally accepted accounting principles;

Business Day means:

(a) a day on which banks are open for general banking business in Sydney and Melbourne and in each other (if any) Relevant Financial Centre specified in the Pricing Supplement (not being a Saturday, Sunday or public holiday in that place); and

(b) if a Note to be held in a Clearing System is to be issued or a payment is to be made in respect of a Note held in a Clearing System, a day on which the Clearing System in which the relevant Note is lodged is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date is postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;

(c) "**Preceding Business Day Convention**" means that the relevant date is brought forward to the first preceding day that is a Business Day; and

(d) "**No Adjustment**" means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates;

Calculation Agent means, in respect of a Note, the person appointed by the Issuer and specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions;

Chief Operating Officer means the chief operating officer of the Issuer or any person of the Issuer holding a similar title or performing the relevant equivalent functions from time to time;

Clearing System means:

(a) the Austraclear System; or

(b) any other clearing system outside Australia specified in the Pricing Supplement;

Conditions means, in relation to a Note, these terms and conditions as amended, supplemented, modified or replaced by the Pricing Supplement applicable to such Note and references to a particular numbered Condition shall be construed accordingly;

Corporations Act means the Corporations Act 2001 of Australia;

Day Count Fraction means, in respect of the calculation of interest on a Note for any period of time ("**Calculation Period**"), the day count fraction specified in the Pricing Supplement and:

(a) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365; and

(a) if "**RBA Bond Basis**" or "**Australian Bond Basis**" is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

(i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

(ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365));

Deed Poll means:

(a) the deed poll entitled "Note Deed Poll" dated 28 February 2022; and

(b) such other deed poll that supplements, amends, restates, modifies or replaces the deed poll referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme and the Notes,

in each case, executed by the Issuer;

Default Rate means the rate specified as such in the Pricing Supplement;

Denomination means the notional face value of a Note specified in the Pricing Supplement;

Event of Default means an event so described in Condition 13 ("Events of Default");

Extraordinary Resolution has the meaning given in the Meeting Provisions;

FATCA means:

(a) sections 1471 to 1474 of the United States Internal Revenue Code of 1986 or any associated regulations or other official guidance;

(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law, regulation or other official guidance referred to in paragraphs (a) or (b) above, with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction;

Financial Indebtedness means, without double counting, any indebtedness (whether actual or contingent) for or in respect of:

(a) moneys borrowed;

(b) any amount raised under any acceptance credit, bill acceptance or bill endorsement facility;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Australian Accounting Standards, be treated as a finance or capital lease;

(e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(g) consideration for the acquisition of assets or services payable more than 90 days after acquisition;

(h) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above;

Financial Statements means, in respect of each financial year of the Issuer:

(a) the audited statement of financial performance;

(b) the audited statement of financial position; and

(c) the audited statement of cash flows;

Fixed Rate Note means a Note on which interest is calculated at a fixed rate payable in arrear on each date specified in the Pricing Supplement;

Floating Rate Note means a Note on which interest is calculated at a floating rate payable in arrear on each date specified in the Pricing Supplement;

Governmental Agency means any government or any governmental, semi-governmental or judicial entity or authority. It also includes any self-regulatory organisation established under statute;

Information Memorandum means, in respect of a Note, the information memorandum or other offering document referred to in the Pricing Supplement, in each case, prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Note and includes all documents incorporated by reference in it, including any applicable Pricing Supplement and any other amendments or supplements to it;

Insolvency Event means, in relation to any person:

(a) (**winding up**) except for the purpose of a solvent reconstruction, merger or amalgamation with the approval by an Ordinary Resolution of the Noteholders, that person passes a resolution or otherwise takes steps to wind itself up, or otherwise dissolve itself, or an application is made to a court for an order for the winding up of that person, unless the application which is disputed by that person is withdrawn or dismissed within 30 days or the application is frivolous or vexatious;

(b) (**winding up by State Parliament**) the Tasmanian State Parliament enacts legislation for the winding up or dissolution of the Issuer;

(c) (**Controller appointed**) the appointment of a Controller (as defined in the Corporations Act) or analogous person to all or a substantial part of that person's property;

(d) (**liquidator appointed**) the appointment of a provisional liquidator, liquidator, trustee for creditors or in bankruptcy, administrator or analogous person to that person;

(e) (**statutory demand**) that person is taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;

(f) (**insolvent**) that person states that it is or is unable to pay its debts when they fall due or is otherwise insolvent within the meaning of section 95A of the Corporations Act or any analogous circumstances arises under any other applicable statute or law. For this purpose, in the case of the Issuer, it will be deemed to be insolvent if the Auditor-General makes such a determination and recommends or directs that the Issuer be wound up;

(g) (**scheme of arrangement**) except for the purpose of a solvent reconstruction, merger or amalgamation which was approved by an Ordinary Resolution of the Noteholders, the person:

 (i) resolves to enter into, or enters into, a scheme of arrangement, a deed of company arrangement, voluntary arrangement, re-organisation or composition with its creditors or an assignment for their benefit; or

 (ii) proposes or is subject to a moratorium of its debts;

(h) (**execution**) execution or other process issued on a judgment, decree or order of a court of competent jurisdiction in favour of a creditor of that person for an amount in excess of A$20,000,000 or its equivalent is returned wholly or partly unsatisfied; or

(i) (**analogous process**) an event occurs in relation to that person which is analogous to anything referred to above or which has a similar effect;

Interest Commencement Date means, in respect of a Note, the Issue Date of the Note or any other date so specified in the Pricing Supplement;

Interest Determination Date means each date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Payment Date means each date so specified in, or determined in accordance with, the Pricing Supplement;

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

(a) the first Interest Period commences on (and includes) the Interest Commencement Date; and

(b) the final Interest Period ends on (but excludes) the Maturity Date;

Interest Rate means, in respect of a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement;

Issue Date means, in respect of a Note, the date on which the Note is, or is to be, issued and as may be specified, or determined, in accordance with, the Pricing Supplement;

Issue Price means the price as set out in the Pricing Supplement;

Issuer means University of Tasmania (ABN 30 764 374 782);

Issuing and Paying Agent means:

(a) [redacted] and/or

(b) any other person appointed by the Issuer under an Agency Agreement and specified in the relevant Pricing Supplement to perform issuing and paying agency functions on the Issuer's behalf with respect to a Series or Tranche of Notes;

Margin means the margin specified in, or determined in accordance with, the Pricing Supplement;

Maturity Date means, in respect of a Note, the date so specified in, or determined in accordance with, the Pricing Supplement as the date on which the Note is to be redeemed;

Meeting Provisions means the provisions relating to meetings of Noteholders and set out as a schedule to the Deed Poll;

Note means each bond, note, debt security, debt instrument or debt obligation specified in an applicable Pricing Supplement and issued or to be issued by the Issuer which is constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register. References to any particular type of "**Note**" or "**Notes**" shall be read and construed accordingly. All references to "**Notes**" must, unless the context otherwise requires, be read and construed as references to the Notes of a particular Series;

Noteholder means, in respect of a Note, each person whose name is entered in the Register as the holder of that Note;

Ordinary Resolution has the meaning given in the Meeting Provisions;

Permitted Security Interest means:

(a) Security Interests existing on the Issue Date;

(b) any netting or set-off arrangement entered into by the Issuer in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances or otherwise related to Financial Indebtedness which is not yet due or has been contested in good faith;

(c) any netting or set-off arrangement under any derivative transaction on market standard terms and conditions;

(d) any lien arising by operation of law and in the ordinary course of business where the amount secured is not yet due or has been contested in good faith;

(e) any retention of title arrangement and rights of set-off in connection with the acquisition of goods in the ordinary course of business;

(f) any lien for:

  (i) rates, Taxes, duties or fees of any kind payable to a Governmental Agency; or

  (ii) money payable for work performed by suppliers, mechanics, workmen, repairmen or employees and, in each case, arising in the ordinary course of business,

  either not yet due or being contested in good faith;

(g) any Security Interest over or affecting any asset acquired by the Issuer after the Issue Date if:

  (i) the Security Interest was not created in contemplation of the acquisition of that asset by the Issuer;

  (ii) the principal amount secured has not been increased in contemplation of, or since the acquisition of that asset by the Issuer;

  (iii) the Security Interest is removed or discharged within 12 months of the date of acquisition of such asset;

(h) any Security Interest over goods (and related insurance contracts) under, and relating to, documentary credit transactions;

(i) deposits or pledges to secure commercial contracts in the ordinary course of business;

(j) any Security Interest approved by an Ordinary Resolution of the Noteholders;

(k) any Security Interest provided for by one or more of the following transactions if the transaction does not secure payment or performance of an obligation:

(i) a transfer of an account (as defined in the PPSA) or chattel paper (as defined in the PPSA);

(ii) a commercial consignment (as defined in the PPSA); or

(iii) a PPS lease (as defined in the PPSA);

(l) any Security Interest arising under the PBSA agreement in relation to Student Accommodation referred to as PBSA2 accommodation building located in 42 Melville Street, Hobart, managed by DIF Management Australia Pty Ltd (ABN 90 604 661 930);

(m) any Security Interest arising under any finance or capital lease;

(n) any Security arising as a consequence of a judgment if the judgment is satisfied promptly or its execution or enforcement is effectively stayed, and the claim to which it relates is being contested in good faith and any secured amount which remains due after final determination or settlement of the contest is paid promptly;

(o) any Security Interest over the Sandy Bay Assets;

(p) any Security Interest over the Issuer's shares or units in an entity established to develop, operate and/or maintain the Sandy Bay Project or such other entity established in connection with the Sandy Bay Project;

(q) any Security Interest over any other rights, title or interests the Issuer may have in connection with the Sandy Bay Project; or

(r) any other Security Interest which, when created, secures indebtedness (other than any permitted under paragraphs (a) to (q) above) the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of any Security Interest falling within this paragraph (r)) does not exceed 15% of Total Assets;

PPSA means the Personal Property Securities Act 2009 of Australia;

Pricing Supplement means, in respect of a Tranche of Notes, the supplement specifying the relevant issue details in relation to that Tranche of Notes and which may be substantially in the form set out in the Information Memorandum, duly completed and signed by the Issuer;

Programme means the Issuer's uncommitted Programme for the issuance of Notes described in the Information Memorandum;

Record Date means 5.00 pm in the place where the Register is maintained on the date which is the 8th calendar day before the payment date or any other date so specified in the Pricing Supplement;

Redemption Amount means, for a Note, the outstanding principal amount as at the date of redemption, and also includes any other amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement or these Conditions;

Redemption Date means, in respect of a Note, such date on which the Note is redeemed prior to its Maturity Date in accordance with these Conditions;

Reference Banks means the institutions so described in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

Reference Rate means the rate specified in, or determined in accordance with, the Pricing Supplement;

Register means the register, including any branch register, of Noteholders established and maintained by the Issuer, or by a Registrar on its behalf under an Agency Agreement;

Registrar means:

(a) [redacted] and/or

(b) any other person appointed by the Issuer under a relevant Agency Agreement to establish and maintain the Register in respect of a Tranche of Notes on the Issuer's behalf from time to time;

Relevant Date means, in relation to any payment, whichever is the later of:

(a) the date on which the payment in question first becomes due; and

(b) if the full amount payable has not been received in the financial centre of the currency of payment by the Issuing and Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

Relevant Financial Centre means Sydney, Melbourne and/or any other centre specified in the Pricing Supplement;

Relevant Screen Page means:

(a) the page, section or other part of a particular information service specified as the Relevant Screen Page in the Pricing Supplement; or

(b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Relevant Time has the meaning given in the Pricing Supplement;

Sandy Bay Assets means:

(a) 2 Churchill Avenue, Sandy Bay (Certificate of Title Volume 176312 Folio 1);

(b) 301 Sandy Bay Road, Sandy Bay (Certificate of Title Volume 167420 Folio 1);

(c) 6 Grace Street, Sandy Bay (Certificate of Title Volume 167420 Folio 2);

(d) 60 Proctors Road, Dynnyrne (Certificate of Title Volume 28772 Folio 1);

(e) 66 Proctors Road, Dynnyrne (Certificate of Title Volume 119071 Folio 1);

(f) Proctors Road, Dynnyrne (Certificate of Title Volume 119071 Folio 2); and

(g) Part Churchill Avenue, Sandy Bay (Certificate of Title Volume 176311 Folio 100);

Sandy Bay Project means the project established, operated and/or maintained on the land comprising the Sandy Bay Assets;

Security Interest means any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect, including any “security interest” as defined in section 12(1) or (2) of the PPSA, other than any restrictive covenants, including any covenants which may be described as or include charges (statutory or otherwise) entered into for the purposes of registering caveatable interests in connection with the acquisition, development and/or use of property;

Security Record has the meaning given in the Austraclear Regulations;

Series means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Price, Issue Date and first payment of interest may be different in respect of a different Tranche of a Series;

Specified Office means the office specified in the Information Memorandum or any other address notified to Noteholders from time to time;

Subsidiary means a “subsidiary” as defined in section 46 of the Corporations Act, but an entity will also be taken to be a Subsidiary of a second entity if it is “controlled” by the second entity (for the purpose of Chapter 2M of the Corporations Act);

Tax Authority means any government, state, municipal, local, federal or other fiscal, revenue, customs or excise authority, body or official, having power to tax to which the Issuer becomes subject in respect of payments made by it of principal or interest in respect of the Notes;

Taxes means taxes, levies, withholdings, deductions, assessments or governmental charges of whatever nature imposed or levied by any Tax Authority together with any related interest, penalties, fines and expenses in connection with them;

Total Assets means the total assets of the Issuer as reported in the most recent Financial Statements;

Tranche means an issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same Conditions; and

University Act means the University of Tasmania Act 1992 (Tas).

1.2 General interpretation

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions. Unless the contrary intention appears, a reference in these Conditions to:

(a) a group of persons is a reference to any two or more of them jointly (except in the case of the Noteholders) and to each of them individually;

(b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;

(c) a document (including these Conditions) includes its annexures and schedules and any variation or replacement of or supplement to it;

(d) a "**law**" includes common law, principles of equity, decree and any statute or other law made by any parliament (and a statute or other law made by parliament includes any regulation and other instrument under it and any consolidation, amendment, re-enactment or replacement of it);

(e) a "**directive**" includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;

(f) "**Australian dollars**", "**AUD**" or "**A$**" is a reference to the lawful currency of Australia;

(g) a "**person**" includes an individual, company, corporation, firm, partnership, joint venture, trust, association, organisation, state or agency of a state or other entity, whether or not being a separate legal entity;

(h) anything (including an amount) is a reference to the whole and each part of it;

(i) a time of day is a reference to Sydney time;

(j) the singular includes the plural and vice versa;

(k) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;

(l) if a notice must be given within a certain period of days, the day on which the notice is given, and the day on which the thing is to happen, are not to be counted in calculating that period; and

(m) the words "**including**", "**for example**" or "**such as**" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.3 References to particular terms

Unless the contrary intention appears, in these Conditions:

(a) a reference to an Agency Agreement is a reference to each Agency Agreement applicable to the Notes of the relevant Series;

(b) a reference to an Agent is a reference to each Agent appointed to act in respect of Notes of the relevant Series;

(c) a reference to the Deed Poll is a reference to the Deed Poll applicable to the Notes of the relevant Series;

(d) a reference to a Note is a reference to a Note of a particular Series specified in the Pricing Supplement;

(e) a reference to a Noteholder is a reference to the holder of Notes of a particular Series;

(f) a reference to a Pricing Supplement is a reference to the Pricing Supplement applicable to the Notes of the particular Tranche specified in that Pricing Supplement; and

(g) a reference to a particular date on which a payment is to be made is a reference to that date adjusted in accordance with the applicable Business Day Convention.

1.4 References to principal and interest

Unless the contrary intention appears, in these Conditions:

(a) any reference to "**principal**" is taken to include the Redemption Amount, any Additional Amounts in respect of principal, any premium payable by the Issuer in respect of a Note, and any other amount in the nature of principal payable in respect of the Notes under these Conditions;

(b) the principal amount of a Note which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount; and

(c) any reference to "**interest**" is taken to include any Additional Amounts in respect of interest and any other amount in the nature of interest payable in respect of the Notes under these Conditions.

1.5 Terms defined in Pricing Supplement

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is "Not Applicable", then that definition is not applicable to the Notes.

2 The Notes

2.1 Programme

(a) Notes are issued under the Programme.

(b) Notes are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than, to the extent relevant, in respect of the Issue Price, Issue Date and the first payment of interest).

(c) The Issuer will issue Notes on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes. If there is any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.

(d) Copies of the Pricing Supplement for a Tranche of Notes are available for inspection or upon request by a Noteholder or prospective Noteholder during normal business hours at the Specified Office of the Issuer or the Registrar or are otherwise available on reasonable request from the Issuer or the Registrar.

(e) A Note is either:

(i) a Fixed Rate Note; or

(ii) a Floating Rate Note,

or a combination of the above (or any other type of debt obligation), as specified in the relevant Pricing Supplement.

2.2 Issue and transfer restrictions

Notes may only be offered (directly or indirectly) for issue or transfer, or applications invited for the issue or transfer of Notes, and may only be issued or transferred if:

(a) where the offer or invitation is made in, or into, Australia:

(i) the aggregate consideration payable to the Issuer or the transferor by the relevant subscriber or person acquiring the Notes is at least A$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the Issuer or its associates) or the offer or invitation (including any resulting issue) or transfer does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and

(ii) the offer or invitation (including any resulting issue) or transfer does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and

(b) at all times, the offer or invitation (including any resulting issue) or transfer complies with all applicable laws and directives in the jurisdiction in which the offer, invitation, issue or transfer takes place.

2.3 Denomination

Notes are issued in the Denomination specified in the Pricing Supplement.

2.4 Currency

Subject to compliance with all applicable legal and regulatory requirements, Notes may be denominated in Australian dollars or such other currency or currencies specified in the Pricing Supplement.

2.5 Clearing Systems

Where the Notes are held in a Clearing System, the rights of a person holding an interest in those Notes are subject to the rules and regulations of the Clearing System including any removal, uplift or withdrawal (however described) of the Notes from that Clearing System or other action (including a transfer of the Notes) required by the rules and regulations of the Clearing System. The Issuer is not responsible for anything the Clearing System does or omits to do.

3 Form

3.1 Constitution

(a) Notes are debt obligations of the Issuer constituted by, and owing under, the Deed Poll and the details of which are recorded in, and evidenced by entry in, the Register.

(b) Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed Poll.

3.2 Form

Notes are issued in registered uncertificated form by entry in the Register.

3.3 No certificates

No certificates in respect of any Notes will be issued to Noteholders unless the Issuer determines that certificates should be available or are required by any applicable law or directive.

4 Status, ranking and negative pledge

4.1 Status and ranking

The Notes constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4.2 ("Negative pledge")) unsecured obligations of the Issuer and will rank equally and rateably in right of payment, and without any preference among themselves and at least equally with all other present or future unsecured and unsubordinated obligations of the Issuer, except indebtedness required to be preferred by law.

4.2 Negative pledge

So long as any Note remains outstanding, the Issuer will not create or permit to subsist any Security Interest over any of its assets other than a Permitted Security Interest unless, in the case of the creation of the Security Interest, prior to or simultaneously therewith, and in any case, promptly, the Issuer either:

(a) grants or procures to be granted a Security Interest securing its obligations under the Notes, equally and rateably in all respects so as to rank *pari passu* with the applicable indebtedness the subject of the Security Interest; or

(b) grants or procures to be granted such other Security Interest in respect of its obligations under the Notes, as shall be approved by an Extraordinary Resolution of the Noteholders.

5 Title and transfer of Notes

5.1 Title

Title to a Note passes when details of the transfer are entered in the Register.

5.2 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

(a) an irrevocable undertaking by the Issuer to the Noteholder to:

(i) pay principal, any interest and any other amounts in accordance with these Conditions; and

(ii) otherwise to comply with the Conditions; and

(b) an entitlement to the other benefits given to Noteholders under these Conditions in respect of the Note.

5.3 Ownership and non-recognition of interests

(a) Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of such Note subject to correction for fraud or proven error.

(b) No notice of any trust or other interest in, or claim to, any Note will be entered in a Register. Neither the Issuer nor the Registrar need take notice of any trust or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by any applicable law or directive. This Condition 5.3(b) applies whether or not a Note is overdue.

5.4 Joint holders

Where two or more persons are entered in the Register as the joint holders of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

5.5 Transfer

(a) Noteholders may only transfer Notes in accordance with these Conditions.

(b) Notes may be transferred in whole but not in part.

5.6 Transfer procedures

Interests in Notes held in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System. If a Note is lodged in the Austraclear System, neither the Issuer nor the Registrar will recognise any such interest other than the interest of Austraclear as the Noteholder while that Note is lodged in the Austraclear System.

5.7 Austraclear as Noteholder

If Austraclear is recorded in the Register as the Noteholder, each person in whose Security Record a Note is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

(a) the Registrar's decision to act as the Registrar of that Note is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Note, but only indicates that the Registrar considers that the holding of the Note is compatible with the performance by it of its obligations as Registrar under the Agency Agreement; and

(b) the Noteholder does not rely on any fact, matter or circumstance contrary to paragraph (a).

5.8 Restrictions on transfers

Transfers of Notes which are not lodged in a Clearing System cannot be made between a Record Date and the relevant Interest Payment Date if a redemption of such Note is to occur during that period in accordance with these Conditions.

5.9 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred Note and the transferee becomes so entitled in accordance with Condition 5.2 ("Effect of entries in Register").

5.10 CHESS

Notes which are listed on the ASX will not be transferred through, or registered on, the Clearing House Electronic Subregister System operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products" for the purposes of that system.

5.11 Estates

A person becoming entitled to a Note as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Note or, if so entitled, become registered as the holder of the Note.

5.12 Unincorporated associations

A transfer of a Note to an unincorporated association is not permitted.

6 Fixed Rate Notes

This Condition 6 applies to the Notes only if the Pricing Supplement states that it applies.

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

6.2 Fixed Coupon Amount

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

6.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying the Interest Rate for that period, by the outstanding principal amount of the Fixed Rate Note and by the applicable Day Count Fraction.

7 Floating Rate Notes

This Condition 7 applies to the Notes only if the Pricing Supplement states that it applies.

7.1 Interest on Floating Rate Notes

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

(a) on each Interest Payment Date; or

(b) if no Interest Payment Date is specified in the Pricing Supplement, on each date which falls the number of months or other period specified as the "Specified Period" in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

7.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

7.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 7.2 ("Interest Rate determination"), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

7.4 Screen Rate Determination

Where "Screen Rate Determination" is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition 7.4, "**Screen Rate**" means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

(a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the "**Screen Rate**" means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;

(b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the "**Screen Rate**" means:

   (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date; or

   (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or

(c) if the Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method applies.

7.5 BBSW Rate Determination

Where "BBSW Rate Determination" is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the BBSW Rate. Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, such determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case as described below (in all cases without the need for any Noteholder consent). Any determination of, substitution for and adjustments made to the BBSW Rate, as applicable, in each case described below will be binding on the Issuer, the Noteholder and each Agent.

In this Condition 7.5, "**BBSW Rate**" means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "MID" on the Bloomberg Screen BBSW Page or the "AVG MID" on the Refinitiv Screen BBSW Page (or any designation which replaces that designation on that page, or any replacement page) at approximately 10.30 am (or such other time at which such rate customarily appears on that page, including, if corrected, as recalculated and republished by the relevant administrator) ("**Publication Time**") on the first day of that Interest Period. However, if such rate does not appear on the Bloomberg Screen BBSW Page or Refinitiv Screen BBSW Page (or, in each case, any replacement page) by 10.45 am on that day (or such other time that is 15 minutes after the then prevailing Publication Time), or if it does appear but the Calculation Agent determines that there is an obvious error in that rate or the rate is permanently or indefinitely discontinued, "**BBSW Rate**" means such other successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time determined by the Calculation Agent or the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution appointed by the Issuer (in its sole discretion) to assist in determining the rate, (in each case, a "**Determining Party**"), which rate is notified in writing to the Calculation Agent (with a copy to the Issuer) if determined by such Determining Party, together with such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for BBSW Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for BBSW Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by such Determining Party (in consultation with the Issuer) to be appropriate. The rate determined by such Determining Party will be expressed as a percentage rate per annum and will be rounded up, if necessary, to the next higher one ten-thousandth of a percentage point (0.0001%).

7.6 Interpolation

If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two Screen Rates, BBSW Rates or other floating rates specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

8 General provisions applicable to interest

8.1 Maximum or Minimum Interest Rate

If the Pricing Supplement specifies a "Maximum Interest Rate" or "Minimum Interest Rate" for any Interest Period, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified. If no rate is specified, the Minimum Interest Rate shall be zero.

8.2 Calculation of Interest Rate and interest payable

(a) The Calculation Agent must, in relation to each Interest Period for each Note:

- (i) calculate the Interest Rate in accordance with these Conditions and the Pricing Supplement; and
- (ii) as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.

(b) Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Note by the applicable Day Count Fraction.

(c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

8.3 Calculation of other amounts

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

8.4 Notification of Interest Rate, interest payable and other items

(a) The Calculation Agent must notify the Issuer, the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded of:

- (i) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
- (ii) any amendment to any amount, item or date referred to in paragraph (i) arising from any extension or reduction in any Interest Period or calculation period.

(b) The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the Interest Period.

(c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the Noteholders, each other Agent and each stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded after doing so.

8.5 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of manifest or proven error, final and binding on the Issuer, the Registrar, each Noteholder and each other Agent.

8.6 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in these Conditions or in the Pricing Supplement):

(a) all percentages resulting from those calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005% being rounded up to 0.00001%);

(b) all figures resulting from those calculations must be rounded to five decimal places (with 0.000005 being rounded up to 0.00001); and

(c) all amounts that are due and payable must be rounded (with halves being rounded up) to:

  (i) in the case of Australian dollars, one cent; and

  (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

9 Redemption and purchase

9.1 Redemption on maturity

Each Note must be redeemed by the Issuer on the Maturity Date at its Redemption Amount unless:

(a) the Note has been previously redeemed;

(b) the Note has been purchased and cancelled; or

(c) the Pricing Supplement states that the Note has no fixed Maturity Date.

9.2 Early redemption for taxation reasons

The Issuer may redeem all (but not some) of the Notes of a Series in whole before their Maturity Date at the Redemption Amount and any interest accrued on it to (but excluding) the Redemption Date if, as a result of any change in or amendment to the laws or directives of Australia or of any political subdivision thereof or any authority or agency therein or thereof having power to tax, or in the interpretation or administration of any such laws or directives which becomes effective on or after the Issue Date of the first Tranche of such Notes, the Issuer is required under Condition 11.2 ("Withholding tax") to pay Additional Amounts in respect of a Note and such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

However, the Issuer may only do so if:

(a) the Issuer has given at least 30 days' and no more than 60 days' (or any other period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded;

(b) prior to the publication of any notice of redemption for taxation reasons, the Issuer shall deliver to the Registrar a certificate signed by a Chief Operating Officer of the Issuer stating that the Issuer is entitled to effect such redemption for taxation reasons and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts as a result of such change or amendment;

(c) in the case of Fixed Rate Notes, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay Additional Amounts; and

(d) in the case of Floating Rate Notes:

  (i) the proposed Redemption Date is an Interest Payment Date; and

  (ii) the notice of redemption is given at least 30 days and not more than 60 days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay Additional Amounts.

9.3 Early redemption at the option of Noteholders (Noteholder put)

If the relevant Pricing Supplement states that this Condition 9.3 applies, a Noteholder may require the Issuer to redeem all or some of the Notes of a Series held by that Noteholder before their Maturity Date if the following conditions are satisfied:

(a) the Issuer is privatised or ceases to be a statutory body under the University Act; or

(b) in such other circumstances as may be specified in the Pricing Supplement.

If such conditions are satisfied, the Issuer must redeem the Notes specified by the Noteholder at the Redemption Amount together with interest (if any) accrued on it to (but excluding) the Redemption Date provided that:

(i) the amount of Notes to be redeemed is a multiple of their Denomination;

(ii) the Noteholder has given not less than 30 days' nor more than 60 days' (or any other period specified in the Pricing Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Specified Office of the Registrar together with any evidence the Registrar may require to establish title of the Noteholder to the Note;

(iii) the notice referred to in paragraph (ii) specifies an account in the country of the currency in which the Note is denominated to which the payment should be made or an address to where a cheque for payment should be sent;

(iv) the Redemption Date is an "Early Redemption Date (Put)" specified in the Pricing Supplement; and

(v) any other relevant condition specified in the Pricing Supplement is satisfied.

A Noteholder may not require the Issuer to redeem any Note under this Condition 9.3 if the Issuer has given notice that it will redeem that Note under Condition 9.2 ("Early redemption for taxation reasons") or Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)").

9.4 Early redemption at the option of the Issuer (Issuer call)

If the relevant Pricing Supplement states that the Issuer may redeem all or some of the Notes of a Series before their Maturity Date under this Condition, the Issuer may redeem so many of the Notes specified in the Pricing Supplement at the Redemption Amount and any interest accrued on it to (but excluding) the Redemption Date.

However, the Issuer may only do so if:

(a) the amount of Notes to be redeemed is, or is a multiple of, their Denomination;

(b) the Issuer has given not less than 30 days' nor more than 60 days' (or such lesser period specified in the Pricing Supplement) notice to the Registrar, the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded;

(c) the proposed Redemption Date is an "Early Redemption Date (Call)" specified in the Pricing Supplement; and

(d) any other relevant condition specified in the Pricing Supplement is satisfied.

9.5 Clean up call

If 90% or more in principal amount of the Notes then outstanding have been redeemed pursuant to Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)") and/or Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)") or purchased and redeemed, the Issuer may, having given not less than 30 days' notice to the Noteholders, redeem or, at the Issuer's option, purchase (or procure the purchase of) all but not some only of, the Notes then outstanding at their principal amount together with any interest accrued on it to (but excluding) the Redemption Date. The notice referred to in the preceding sentence shall be irrevocable and shall specify the date fixed for redemption (which, if this Note is not a Floating Rate Note, shall not be more than 60 days after the date of the notice and, if this Note is a Floating Rate Note, shall be the first Interest Payment Date which occurs after the date which falls 30 days after the date of the notice).

9.6 Partial redemptions

If only some of the Notes are to be redeemed under Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)"), the Notes to be redeemed must be specified in the notice and selected:

(a) in a fair and reasonable manner under the circumstances of the proposed redemption and having regard to prevailing market practice; and

(b) in compliance with any applicable law, directive or requirement of any applicable Clearing System and stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded.

9.7 Effect of notice of redemption

Any notice of redemption given by the Issuer or a Noteholder under this Condition 9 is irrevocable.

9.8 Late payment

If an amount is not paid under this Condition 9 when due, then interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no Default Rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Noteholder.

9.9 Purchase

The Issuer or any of its affiliates may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, reissued, resold, or at the option of such purchaser, cancelled by notice to the Registrar. Purchases may be made by tender offers or in any other manner at the discretion of the purchasers, in each case, subject to compliance with any applicable law, directive or requirement of any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded.

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10 Payments

10.1 Payment of principal and interest

Payments of principal and interest in respect of a Note will be made to each person registered at the close of business on the Record Date as the holder of that Note (or the first person to be registered in the case of joint holders).

10.2 Payments to accounts

Payments in respect of the Note will be made in Australia, unless prohibited by law, and:

(a) if the Note is held in the Austraclear System, by crediting on the payment date, the amount due to:

  (i) the account of Austraclear (as the Noteholder) in Australia previously notified to the Issuer and the Registrar; or

  (ii) if requested by Austraclear, the accounts in Australia of the persons in whose Security Record a Note is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations; and

(b) if the Note is not held in the Austraclear System, by crediting on the payment date, the amount then due under each Note to an account in the relevant jurisdiction or financial centre for the currency in which the payment is made previously notified by the Noteholder to the Issuer and the Registrar.

If a payment in respect of the Note is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

10.3 Other payments

If the Noteholder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Note will be made in the relevant jurisdiction or financial centre for the currency in which the payment is made in such manner as the Issuer may determine in its sole discretion and in no such circumstances will the Issuer be responsible for, nor will the Noteholder be entitled to, any additional payments for any delay in payment where the Noteholder has not notified the Registrar of an account for payment.

10.4 Payments subject to law

All payments are subject in all cases to:

(a) any applicable fiscal or other laws and directives in any jurisdiction but without prejudice to the provisions of Condition 11 ("Taxation"); and

(b) any withholding or deduction made under or in connection with, or to ensure compliance with FATCA.

10.5 Payments on Business Days

If a payment is due on a day which is not a Business Day then the due date for payment is adjusted in accordance with the applicable Business Day Convention. The Noteholder is not entitled to any additional payment in respect of such delay.

10.6 Currency of account

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Noteholder receives an amount in a currency other than that in which it is due:

(a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and

(b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

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11 Taxation

11.1 No set-off, counterclaim or deductions

All payments of principal and interest in respect of the Notes by (or on behalf of) the Issuer will be made free and clear of, and without withholding or deduction for or on account of, any present or future Taxes unless such withholding or deduction is made under or in connection with, or to ensure compliance with FATCA or is required by law.

11.2 Withholding tax

Subject to Condition 11.3 ("Withholding tax exemptions"), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Notes such that the Noteholder would not actually receive on the due date the full amount provided for under the Notes, then:

(a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and

(b) if the amount deducted or withheld is in respect of Taxes imposed by Australia or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer will pay such additional amounts so that, after making the deduction and further deductions applicable to additional amounts payable under the Conditions, each Noteholder is entitled to receive (at the time a payment is due) the amount it would have received if no such deductions or withholdings had been required to be made.

11.3 Withholding tax exemptions

No Additional Amounts shall be payable under Condition 11.2 ("Withholding tax") on any Note with respect to:

(a) any Tax imposed on, or calculated having regard to, the net income of a Noteholder;

(b) any withholding or deduction imposed on a payment received by or on behalf of a Noteholder who is liable for such Taxes in respect of such Note by reason of its having some connection with the jurisdiction by which such Taxes have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note;

(c) any Taxes with respect to a Note presented for payment more than 30 days after the Relevant Date except to the extent that the Noteholder of such Note would have been entitled to such Additional Amounts on presenting such Note for payment on the last day of such period of 30 days;

(d) any payment to a holder or beneficial owner of any Note, who would be able to avoid such withholding or deduction by presenting any form or certificate and/or making a declaration of non-residence or similar claim for exemption or reduction to any relevant authority but fails to do so;

(e) any payment to, or to a third party on behalf of, a holder of a Note who is an "associate" (as that term is defined in section 128F(9) of the Income Tax Assessment Act 1936 of Australia) of the Issuer and such holder is not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;

(f) any Australian interest withholding tax imposed as a result of a determination by the Commissioner of Taxation of the Commonwealth of Australia that such tax is payable under the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia, in circumstances where the Noteholder is party to or participated in a scheme to avoid such tax and where the Issuer was neither a party to nor participated in such scheme;

(g) a Noteholder that is not the beneficial owner of such Note to the extent that the beneficial owner thereof would not have been entitled to the payment of such Additional Amounts had such beneficial owner been the holder of such Note;

(h) any payment to, or to a third party on behalf of, a holder of a Note, if that person or the holder has not supplied an appropriate Australian tax file number, Australian Business Number or details of another applicable exemption; and/or

(i) any payment to, or to a third party on behalf of, a Noteholder where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Income Tax Assessment Act 1936 of Australia or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia or any similar law.

Notwithstanding any other provision of these Conditions, the Issuer or any other person making payments on behalf of the Issuer shall be entitled to deduct and withhold as required, and shall not be required to pay any Additional Amounts with respect to any withholding or deduction imposed on or in respect of any Note, under or in connection with, or to ensure compliance with FATCA.

12 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within ten years (in the case of principal) or five years (in the case of interest and other amounts) from the date on which payment first became due.

13 Events of Default

13.1 Events of Default

An event of default occurs if any of the following events (each an "**Event of Default**") occurs and is continuing:

(a) (**non-payment**) the Issuer does not pay on the due date any amount payable under the Notes and such failure is not remedied within:

(i) in the case of an amount of principal or other Redemption Amounts due in respect of the Notes, two Business Days after the due date; or

(ii) in the case of any amount of interest or other amount, 5 Business Days after the due date;

(b) (**other obligations**) the Issuer does not comply with any other obligation under the Notes and, if the failure to comply is:

(i) capable of remedy, it is not remedied within 30 days of the earlier of (A) the Issuer receiving notice of such default from any Noteholder and (B) the Issuer becoming aware of the failure to observe that obligation; or

(ii) not capable of remedy, the failure to comply would reasonably be expected to have a material adverse effect on the ability of the Issuer to perform any of its payment obligations under the Notes;

(c) (**cross-default**)

(i) any Financial Indebtedness of the Issuer:

(A) is not paid when due (or within any originally applicable grace period);

(B) is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default; or

(C) is capable of being declared due and payable by any creditor of the Issuer prior to its specified maturity as a result of an event of default or review event (however described);

(ii) any commitment for any Financial Indebtedness of the Issuer is cancelled or suspended by a creditor as a result of an event of default or review event (howsoever described),

provided that no Event of Default will occur under this Condition 13.1(c) if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraph (i) or (ii) is less than A$20,000,000 (or its equivalent in any other currency or currencies);

(d) (**insolvency**) an Insolvency Event occurs or any corporate action, legal proceeding or other procedure or step is taken in relation to an Insolvency Event, in each case in respect of the Issuer;

(e) (**creditors' process**) any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer having an aggregate value of A$20,000,000 and is not discharged within 21 days;

(f) (**unlawfulness**) it is or becomes unlawful for the Issuer to perform any of its obligations under the Notes;

(g) (**vitiation**) a Note or any provision of the Deed Poll or these Conditions becomes (or is claimed to be) void, voidable or unenforceable. For these purposes, "**claim**" in this paragraph means claim by the Issuer or anyone on its behalf; or

(h) (**litigation**) a litigation, arbitration or administrative proceeding is commenced against the Issuer before any court, arbitral body or agency which is adversely determined against it, and which is reasonably likely to result in the Issuer being unable to meet its payment obligations under the Notes when due or within any applicable period of grace unless the Issuer is contesting that proceeding in good faith.

13.2 Consequences of an Event of Default

If an Event of Default occurs and is continuing, any Noteholder may, by written notice to the Issuer, effective upon the date of receipt by the Issuer, declare such Notes held by that Noteholder to be immediately due and payable whereupon such Notes shall become immediately due and payable at their Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, unless prior to such time the Event of Default has been cured.

13.3 Notification

If an Event of Default occurs (or, under Condition 13.1(b), an event which, after notice and lapse of time, would become an Event of Default), the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the event (specifying details of it) and use its reasonable endeavours to ensure that the Registrar promptly notifies the Noteholders, each other Agent and any stock or securities exchange or other relevant authority on which the Notes are listed, quoted and/or traded of the occurrence of the event.

14 Agents

(a) In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Noteholder.

(b) Each initial Agent for a Series of Notes is specified in the Pricing Supplement. Subject to Condition 14(d), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

(c) Notice of any change of an Agent or its Specified Offices must promptly be given to the Noteholders by the Issuer or the Agent on its behalf.

(d) The Issuer must, in respect of each Series of Notes:

(i) at all times maintain a Registrar; and

(ii) if a Calculation Agent is specified in the Pricing Supplement, at all times maintain a Calculation Agent.

15 Meetings of Noteholders

The Meeting Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Noteholders of any Series to consider any matter affecting their interests, including any variation of these Conditions.

16 Variation

16.1 Variation with consent

Unless Condition 16.2 ("Variation without consent") applies, any Condition may be varied by the Issuer in accordance with the Meeting Provisions.

16.2 Variation without consent

Any Condition may be amended by the Issuer without the consent of the Noteholders if the amendment:

(a) is made to give effect to any successor rate or alternative rate for the BBSW Rate as provided in Condition 7.5 ("BBSW Rate Determination");

(b) is of a minor, formal, administrative or technical nature;

(c) is made to correct a manifest or proven error; or

(d) is made to comply with the requirements or a modification of the requirements of any applicable law or directive,

and, in the case of paragraphs (b) to (d), the Issuer is of the opinion that such amendment will not be materially prejudicial to the interests of the Noteholders generally.

17 Further issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further Notes having the same Conditions as the Notes of any Series in all respects (or in all respects except for the Issue Price, Issue Date and the first payment of interest) so as to form a single series with the Notes of that Series.

18 Notices

18.1 To Noteholders

All notices and other communications to Noteholders must be in writing. Any such notice or other communication may be given by any of the following means:

(a) an advertisement published in the *Australian Financial Review* or *The Australian*;

(b) if the Pricing Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper; or

(c) prepaid post (airmail, if posted from a place outside Australia) or delivery by email to the address or email address, as the case may be, of the Noteholder as shown in the Register at the close of business 3 Business Days prior to the dispatch of the notice or communication.

In addition, for so long as Notes are held on behalf of a Clearing System, notices or communications to Noteholders may also be given by delivery to that Clearing System for communication by it to the Noteholders in accordance with the applicable rules and regulations of that Clearing System (including, in the case of the Austraclear System, the Austraclear Regulations). Any such communication shall be deemed to have been given to the Noteholders on the day on which the said notice was given to the relevant Clearing System.

18.2 To the Issuer and the Agents

All notices and other communications to the Issuer or an Agent must be in writing and may be left at the address of, or sent by prepaid post (airmail, if appropriate) to, its respective Specified Office or by email to the email address of the addressee specified:

(a) in the Information Memorandum; or

(b) as otherwise agreed between those parties from time to time and notified to the Noteholders.

18.3 Effective on receipt

Unless a later time is specified in it, a notice, approval, consent or other communication takes effect from the time it is received under Condition 18.4 ("Proof of receipt"), except that if it is received under that Condition after 5.00 pm in the place of receipt or on a non-Business Day in that place, it is to be taken to be received at 9.00 am on the next succeeding Business Day in that place.

18.4 Proof of receipt

Subject to Condition 18.3 ("Effective on receipt"), proof of posting a letter, sending of an email or publication of a notice is proof of receipt:

(a) in the case of a letter, on the third (seventh if outside Australia) day after posting;

(b) in the case of an email, at the time the sender receives an automated message confirming delivery or four hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered; and

(c) in the case of publication in a newspaper, on the date of such publication.

19 Governing law, jurisdiction and service of process

19.1 Governing law

The Notes are governed by, and construed in accordance with, the law in force in New South Wales, Australia.

19.2 Jurisdiction

The Issuer irrevocably and unconditionally submits, and each Noteholder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to any suit, action or proceedings ("**Proceedings**") being brought in those courts including by claiming that the Proceedings have been brought in an inconvenient forum or that those courts do not have jurisdiction.

7. Form of Pricing Supplement

The Pricing Supplement to be issued in respect of each Tranche of Notes will be substantially in the form set out below and will be duly completed to reflect the particular terms of the relevant Notes and their issue.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [MiFID II / Directive 2014/65/EU, as amended ("**MiFID II**")]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [EUWA / European Union (Withdrawal) Act 2018] ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Series no.: [●]

Tranche no.: [●]

University of Tasmania

(ABN 30 764 374 782)

(*a statutory corporation established by and governed in accordance with the University of Tasmania Act 1992 (Tas))*

Neither the State of Tasmania nor the Commonwealth of Australia guarantees the issue of Notes by University of Tasmania in any way.

A$ Debt Issuance Programme

Issue of

[**A$**][***Aggregate Principal Amount of Notes***][***Title of Notes***] **due [●]**
(“**Notes**”)

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated [●] (“**Information Memorandum**”) issued by the Issuer) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with, the terms and conditions of the Notes contained in the Information Memorandum (“**Conditions**”), the Information Memorandum and the Note Deed Poll dated [●] made by the Issuer. Unless otherwise indicated, terms defined in the Conditions have the same meaning in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1	Issuer	:	University of Tasmania (ABN 30 764 374 782)
2	Type of Notes	:	[Fixed Rate Notes / Floating Rate Notes / *specify other*]
3	Method of Distribution	:	[Private / Syndicated] Issue

4	[Joint] Lead Manager[s]	:	[*Specify*]
5	Dealer[s]	:	[*Specify*]
6	Registrar	:	[redacted] *specify other*]
7	Issuing and Paying Agent	:	[redacted] *specify other*]
8	Calculation Agent	:	[Not Applicable / [●] (ABN [●])]
9	If fungible with an existing Series	:	[Not Applicable / *specify if Tranche is to form a single Series with an existing Series, specify date on which all Notes of the Series become fungible (if no specific future date, specify the Issue Date)*]
10	Principal Amount of Tranche	:	[*Specify*]
11	Issue Date	:	[*Specify*]
12	Issue Price	:	[*Specify*]
13	Currency	:	[A$ / *specify other*]
14	Denomination[s]	:	[*Specify*]
15	Maturity Date	:	[*Specify*]
16	Condition 6 (Fixed Rate Notes)	:	[Applicable / Not Applicable]
			[*If "Not Applicable", delete the following Fixed Rate provisions*]
	Fixed Coupon Amount	:	[*Specify*]
	Interest Rate	:	[*Specify*]
	Interest Commencement Date	:	[Issue Date / *specify*]
	Interest Payment Dates	:	[*Specify*]
	Business Day Convention	:	[Following Business Day Convention / Modified Following Business Day / Preceding Business Day Convention / No Adjustment / *specify other*]
	Day Count Fraction	:	[RBA Bond Basis / *specify other*]
17	Condition 7 (Floating Rate Notes)	:	[Applicable / Not Applicable]
			[*If "Not Applicable", delete the following Floating Rate provisions*]
	Interest Commencement Date	:	[Issue Date / *specify*]
	Interest Rate	:	[*Specify method of calculation*]
	Margin	:	[*Specify (state if positive or negative)*]
	Interest Payment Dates	:	[*Specify dates or the Specified Period*]
	Business Day Convention	:	[Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment / *specify other*]
	Day Count Fraction	:	[Actual/365 (Fixed) / *specify other*]
	Fallback Interest Rate	:	[As per the Conditions / *Specify*]
	Interest Rate Determination	:	[Screen Rate Determination / BBSW Rate Determination]

[*If Screen Rate Determination applies, specify the following (otherwise delete provisions)*]

	Relevant Screen Page	:	[*Specify*]
	Relevant Time	:	[*Specify*]
	Reference Rate	:	[*Specify*]
	Reference Banks	:	[*Specify*]
	Interest Determination Date	:	[*Specify*]

[*If BBSW Rate Determination applies, specify the following (otherwise delete provisions)*]

	BBSW Rate	:	[As per Condition 7.5 ("BBSW Rate Determination") / *specify any variation to the Conditions*]
	Maximum and Minimum Interest Rate	:	[Not Applicable / *specify*]
	Rounding	:	[As per Condition 8.6 ("Rounding") / *specify other*]
	Relevant Financial Centre	:	[*Specify*]
	Linear Interpolation	:	[Applicable / Not Applicable] [*If applicable, provide details*]
18	Minimum / maximum notice period for early redemption for taxation purposes	:	[As per Condition 9.2 ("Early redemption for taxation reasons") / *specify*]
19	Condition 9.3 (Noteholder put)	:	[Not Applicable / Applicable, the Notes are redeemable before their Maturity Date at the option of the Noteholders under Condition 9.3 ("Early redemption at the option of Noteholders (Noteholder put)")] [*If "Not Applicable", delete the following Noteholder put provisions*]
	Early Redemption Date(s) (Put)	:	[*Specify*]
	Minimum / maximum notice period for exercise of Noteholder put	:	[*Specify*]
	Relevant conditions to exercise of Noteholder put	:	[*Specify*]
	Redemption Amount	:	[*Specify*]
20	Condition 9.4 (Issuer call)	:	[Not Applicable / Applicable, all or some of the Notes are redeemable before their Maturity Date at the option of the Issuer under Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)")] [*If "Not Applicable", delete the following Issuer call provisions*]
	Early Redemption Date(s) (Call)	:	[Any date falling on or within 3 months before the Maturity Date as specified by the Issuer in the relevant early redemption notice given in accordance with Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)") / *specify other*]
	Minimum / maximum notice period for exercise of Issuer call	:	[As per Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)") / *specify other*]
	Relevant conditions to exercise of Issuer call	:	[As per Condition 9.4 ("Early redemption at the option of the Issuer (Issuer call)") / *specify other*]
	Redemption Amount	:	[Outstanding principal amount of that Note at the Early Redemption Date (Call) / *specify other*]

21	Default Rate	:	[*Specify (In the case of interest-bearing Notes, specify rate of interest applying to overdue amounts (if different to usual Interest Rate))*]
22	Public Offer Test	:	[It is the Issuer's intention that this issue of Notes will be issued in a manner which will seek to satisfy the Public Offer Test in section 128F of the Income Tax Assessment Act 1936 of Australia.]
23	Additional Conditions	:	[*Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included*]
24	Clearing System[s]	:	[Austraclear System / *specify others*]
25	ISIN	:	[*Specify*]
26	[Common Code]	:	[*Specify (otherwise delete)*]
27	[Selling Restrictions]	:	[*Specify any variation to the selling restrictions set out in the Information Memorandum*]
28	Listing	:	[Not Applicable / An application has been made for the Notes to be quoted on the Australian Securities Exchange / *specify details of other listing or quotation on a relevant stock or securities exchange*]
29	[Credit ratings]	:	[The Notes to be issued are expected to be rated [*Specify*]. *A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.* *Credit ratings are for distribution only to a person who is (a) not a "retail client" within the meaning of section 761G of the Corporations Act and is also a person in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Pricing Supplement and anyone who receives this Pricing Supplement must not distribute it to any person who is not entitled to receive it.*]

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Confirmed

For and on behalf of
University of Tasmania (ABN 30 764 374 782)

By: ....

Title: [Vice-Chancellor]

Date:

8. Glossary

ABN	Australian Business Number.
AFSL	Australian financial services licence.
Agent	Each Registrar, Issuing and Paying Agent, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to any Tranche or Series of Notes (details of such appointment may be set out in the relevant Pricing Supplement).
Arranger	Each person specified in section 1 (*Programme summary*).
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691).
Austraclear	Austraclear Ltd (ABN 94 002 060 773).
Austraclear System	The clearing and settlement system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between participants of that system.
Calculation Agent	Each person specified in section 1 (*Programme summary*).
Clearing System	Austraclear System, Euroclear, Clearstream, Luxembourg and/or any other clearing and settlement system specified in a relevant Pricing Supplement.
Clearstream, Luxembourg	The clearing and settlement system operated by Clearstream Banking S.A.
Conditions	The terms and conditions applicable to the Notes, as set out in section 6 (*Conditions of the Notes*), which may be supplemented, amended, modified or replaced by the Pricing Supplement applicable to those Notes.
Corporations Act	Corporations Act 2001 of Australia.
Dealer	Each person specified in section 1 (*Programme summary*).
Dealer Agreement	Dealer Agreement dated 28 February 2022 entered into by the Issuer, the Arrangers and the Dealers party to it, as amended or supplemented from time to time.
Deed Poll	For any Notes, the deed poll executed by the Issuer and specified in an applicable Pricing Supplement. The Issuer has executed a Note Deed Poll dated 28 February 2022, which may be so specified.
EEA	The European Economic Area.
EU	The European Union.
Euroclear	The clearing and settlement system operated by Euroclear Bank SA/NV.
EUWA	UK European Union (Withdrawal) Act 2018.
FATCA	(a) sections 1471 to 1474 of the United States Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or (c) any agreement pursuant to the implementation of any treaty, law, regulation or other official guidance referred to in paragraphs (a) or (b) above, with the United States Internal Revenue Service, the United States government or any governmental or taxation authority in any other jurisdiction.
Financial Instruments and Exchange Act	Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948).
FSMA	UK Financial Services and Markets Act 2000 (as amended).
GST	Goods and services or similar tax imposed in Australia.

Information Memorandum	This information memorandum, and any other document incorporated by reference in it, and any of them individually.
Issue Date	In respect of a Note, the date on which the Note is, or is to be, issued and as may be specified, or determined, in accordance with, the Pricing Supplement.
Issue Materials	For any Notes, the relevant Pricing Supplement and advertisement or other offering material issued by the Issuer in relation to those Notes.
Issue Price	The price as set out in the Pricing Supplement.
Issuer	University of Tasmania (ABN 30 764 374 782).
Issuing and Paying Agent	Each person specified in section 1 (*Programme summary*).
MiFID II	Directive 2014/65/EU.
MiFID Product Governance Rules	MiFID Product Governance rules under EU Delegated Directive 2017/593.
Noteholder	For a Note, each person whose name is entered in the Register as the holder of that Note.
Notes	Collectively, medium term notes and other debt securities issued by the Issuer under the Programme (see the full definition set out in Condition 1.1 ("Definitions")).
Preparation Date	In relation to (1) this Information Memorandum, the date indicated on its face or, if this Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement, (2) annual reports and any financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate, and (3) any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.
Pricing Supplement	A pricing supplement and/or another supplement to this Information Memorandum to be issued for each Tranche or Series of Notes. The form of Pricing Supplement is set out in section 7 (*Form of Pricing Supplement*).
PRIIPs Regulation	Regulation (EU) No. 1286/2014.
Programme	The Issuer's A$ debt issuance programme described in this Information Memorandum.
Programme Participant	The Arrangers, each Dealer and each Agent.
Programme Participant Information	Information concerning the legal or marketing name, ABN, AFSL number, address, facsimile number, telephone number, email address and/or contact person for a Programme Participant which is set out in section 1 (*Programme summary*) or in the *Directory* section.
Programme Participant Party	Each Programme Participant and each of their respective affiliates, related entities, partners, directors, officers and employees.
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.
Register	The register, including any branch register, of Noteholders established and maintained by the Issuer, or by a Registrar on its behalf.
Registrar	Each person specified in section 1 (*Programme summary*).
Regulation S	Regulation S under the U.S. Securities Act.
Series	An issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Price, Issue Date and first payment of interest may be different in respect of a different Tranche of a Series.
SFA	Securities and Futures Act 2001 of Singapore.
SFO	Securities and Futures Ordinance (Cap. 571) of Hong Kong.
Tranche	An issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same Conditions.

UK	The United Kingdom.
UK MiFIR	Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.
UK MiFIR Product Governance Rules	FCA Handbook Product Intervention and Product Governance Sourcebook.
UK PRIIPs Regulation	Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA.
UK Prospectus Regulation	Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.
U.S. person	As defined in Regulation S.
U.S. Securities Act	United States Securities Act of 1933.

Directory

Issuer

University of Tasmania
(ABN 30 764 374 782)

Churchill Avenue
Sandy Bay TAS 7005
Australia

Attention: Treasury
Email: [redacted]

Arrangers and Dealers

Commonwealth Bank of Australia
(ABN 48 123 123 124; [redacted]

[redacted]

Attention: [redacted]
Telephone: [redacted]
Facsimile: [redacted]
Email: [redacted]

National Australia Bank Limited
(ABN 12 004 044 937; AFSL 230686)

[redacted]

Attention: [redacted]
Telephone: [redacted]
Email: [redacted]

Registrar & Issuing and Paying Agent

[redacted]

UNIVERSITY of TASMANIA

UNIVERSITY of TASMANIA

24 March 2022

To: [redacted]

[redacted]

(each a "**Dealer**", and together, the "**Dealers**")

University of Tasmania (ABN 30 764 374 782) ("Issuer")
A$ Debt Issuance Programme
Issue of A$280,000,000 3.97% Fixed Rate Notes due 24 March 2032 ("2032 Notes") and A$70,000,000 4.45% Fixed Rate Notes due 24 March 2042 ("2042 Notes", and together with the 2032 Notes, the "Notes") by the Issuer
Closing Certificate

I confirm that I am an Authorised Officer of the Issuer and I am authorised to execute this Closing Certificate in the name of the Issuer in connection with the Notes.

I refer to the Dealer Agreement dated 28 February 2022 between the Issuer, the Arrangers and the Dealers party to it ("**Dealer Agreement**") and the Subscription Agreement dated 22 March 2022 between the Issuer and the Dealers ("**Subscription Agreement**").

In accordance with clause 3.2(l) of the Dealer Agreement, I confirm the following:

(a) since the date of the Subscription Agreement, there has been no material adverse change nor any development or event involving a prospective material adverse change in the condition (financial or other), prospects, results of operations, management, general affairs or properties of the Issuer, that would have a Material Adverse Effect;

(b) the representations and warranties of the Issuer set out in clause 10.1 ("Representations and warranties") of the Dealer Agreement or in the Subscription Agreement are true, accurate and correct in all respects on each date on which they are deemed to be repeated with reference in each case to the facts and circumstances then subsisting; and

(c) there not having occurred (and be subsisting), nor would result from the issue of the Notes, a breach of the terms of the Dealer Agreement or an Event of Default.

The "Interpretation" clause of the Dealer Agreement applies to this Closing Certificate as if it was fully set out in this Closing Certificate.

This Closing Certificate is governed by the law in force in New South Wales, Australia.

Yours faithfully

For and on behalf of
University of Tasmania (ABN 30 764 374 782)

By:
Name Professor Rufus Black
Position: Vice-Chancellor
Date: 24 March 2022

Attachment N

Minister for Business, Industry and Resources
Minister for Transport
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart TAS 7000
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: Minister.Abetz@dpac.tas.gov.au

Tasmanian Government

18 OCT 2024

Mr Simon Scott
Secretary
Parliamentary Standing Committee of Public Accounts
Simon.Scott@parliament.tas.gov.au

Dear Mr Scott,

I am writing in response to the letter from the Hon Ruth Forrest MLC, Chair of the Parliamentary Standing Committee of Public Accounts, dated 3 October 2024. Thank you for the opportunity to clarify the record regarding the University of Tasmania's (UTAS) redevelopment of the Newnham Campus as part of its Northern Transformation project.

As the Committee would be aware, the relocation of UTAS's Newnham Campus to Inveresk was a key element of the Launceston City Deal (LCD), announced in 2017. Under the LCD, the Department of Defence (DoD) committed to establishing a new Defence Cadet Training Facility (DCTF) in the northern suburbs of Launceston. This relocation would allow the DoD to vacate the Paterson Barracks site, making the centrally located property available for future development.

The Newnham Campus is subject to a land title condition requiring the property to be used for educational purposes. If UTAS ceases to use the land for this purpose, ownership reverts to the Crown. Under the LCD and through negotiations around the Northern Transformation project, the Government agreed to remove the educational condition on the title to enable UTAS to redevelop the Newnham land. This redevelopment would proceed in accordance with a Master Plan developed by UTAS and subject to Ministerial approval, which was granted on 18 September 2021.

Before the condition on the title could be removed, several additional requirements had to be met. These included providing an updated survey plan and issuing separate titles aligned with that plan. Furthermore, UTAS and the Crown needed to agree on the terms of a mortgage deed, which the Crown would register as a first-ranking real property mortgage over the remaining Newnham land. This measure ensures that UTAS's developments align with the agreed Master Plan.

It was agreed by parties that once these steps were completed, UTAS would surrender a portion of the land for Homes Tasmania. At the same time, the Crown would remove the educational condition, and the covenant and mortgage would take effect, with all actions occurring contemporaneously.

In mid-2022, when the steps were about to be executed, it was determined that the method for removing the educational condition was no longer appropriate, necessitating an alternative approach. Meanwhile, the DoD had confirmed the location for its DCTF, and the relevant land had been subdivided from the main title and a sale agreed by UTAS to the DoD.

When the issue with removing the condition arose, a solution was presented to UTAS that would ensure it was not disadvantaged during the ongoing process to remove the condition from the remaining land. However, UTAS sought to use the Government's urgency to advance the DCTF project to negotiate favourable concessions on other matters related to the Northern Transformation project.

This led to several months of commercial and legal negotiations, during which UTAS altered its position multiple times. An in-principle agreement was eventually reached earlier this year, which was subject to Ministerial and Cabinet approval. Following these negotiations, the necessary documents to formalise the agreement were prepared and provided to UTAS in draft form.

It is, therefore, inaccurate for UTAS to claim that it has taken six years of negotiations to remove the condition on the title to allow the redevelopment of the Newnham Campus. A letter I wrote to UTAS, included as an attachment to this submission, provides further background and explains the process proposed to resolve this matter.

The Tasmanian Government is committed to upholding its agreements and looks forward to the resolution of this matter as soon as possible.

Thank you for the opportunity to respond to the Committee's inquiries. If I can be of further assistance, please do not hesitate to contact my office.

Yours sincerely

[redacted]

Eric Abetz MP
Minister for Business, Industry and Resources

Attachment 1 – Ministerial Correspondence to UTAS Vice-Chancellor

Minister for Business, Industry and Resources
Minister for Transport
Leader of the House

Level 10, Executive Building, 15 Murray Street, Hobart
GPO Box 123, Hobart TAS 7001
Phone: 03 6165 9405 | Email: Minister.Abetz@dpac.tas.gov.au

Tasmanian Government

19 SEP 2024

Professor Rufus Black
Vice Chancellor
University of Tasmania
Email: [redacted]

Dear Professor Black

I write to reiterate the Tasmanian Government's ongoing support for the University of Tasmania's (UTAS) relocation of its Launceston campus to Inveresk and the redevelopment of the Newnham land.

The Government has committed $60 million to the Northern Transformation Project and looks forward to seeing Inveresk become a thriving campus engaging 10,000 students by 2032 and with an agreed ultimate target of 16,000 students, researchers and staff on the campus.

The Tasmanian Government is also keenly anticipating the redevelopment of the Newnham land according to the agreed master plan.

As you are aware, the current titles to the Newnham campus are subject to a condition that once the land ceases to be used for educational purposes, they revert to the Crown.

In order to remove that condition on title, effect the important sale of Lot 2 to the Department of Defence to progress its cadet facility and to attempt to deliver the Lot 3 land unencumbered to UTAS, the Crown has proposed (subject to final Ministerial approvals) the following process that I understand has been agreed to in principle by UTAS:

- Contemporaneously, at a settlement between the Crown and UTAS:
    - the parties will exchange signed counterparts of (i) a deed varying and restating the Inveresk Grant Deed; (ii) a deed of surrender of the Newnham land; (iii) a Newnham Redevelopment Deed; and (iv) a lease from the Crown to UTAS over Lot 3 of the Newnham land; and
    - UTAS will give to the Crown (i) a signed instrument of transfer of the Newnham land, effecting the surrender; and (ii) evidence that UTAS's leases to existing tenants at Newnham have been brought to an end and continued as subleases (as from the settlement date);
- the Crown will then make payment of those instalments of the Inveresk Grant that will be due and payable under the restated Inveresk Deed;
- the Crown will commence a process to sell Lot 2 of the Newnham land to the Commonwealth Department of Defence (DoD);
- the Crown Lands Minister will bring a notice before both Houses of Parliament, commencing a process under s64 of the Crown Lands Act 1976 (CLA) to attempt to transfer an unconditional fee simple in Lot 3 of the Newnham land back to UTAS, subject to UTAS granting a mortgage

and a covenant to the Crown over Lot 3 securing UTAS's obligations under the restated Inveresk Grant Deed and the Newnham Redevelopment Deed.

The immediate effect of the proposed surrender and lease back to UTAS is that UTAS will be able to continue its operations at Newnham and the Tasmanian Government will be able to sell Lot 2 to the DoD for construction of its Cadet Defence Facility.

This is a project we have been most anxious to see commence as it offers a tremendous opportunity for youth engagement in Launceston's northern suburbs and will play a vital role in the relationship with DoD as the Defence and Maritime Innovation and Design Precinct grows at Newnham.

The proposal will also, through the restating of the Inveresk Grant Deed that sees particular conditions precedent moved to the Newnham Redevelopment Deed and certain Inveresk milestones pushed back, allow for payments of instalments to resume, including an increased instalment amount to offset UTAS's costs to develop and subdivide Lot 2 for sale to DoD.

If and when the proposed s64 process is successful, the Crown Lands Minister would then be free to transfer Lot 3 back to UTAS (subject to the mortgage and covenant), at which point UTAS's lease of Lot 3 would cease and the Newnham Redevelopment Deed would effectively become operational.

While our officers have been working diligently and collaboratively on the pathway to effect the above proposal, I am aware the time taken to reach an agreement was complicated by UTAS's unwillingness to deal with Lot 2 immediately as a separate matter, instead insisting on using this to negotiate further changes to the Inveresk Grant Deed, including the separation of requirements to develop Newnham into a separate deed and offsetting costs incurred in the development of Lot 2.

The Government has agreed to this approach and hopes there will be no further delays.

I trust this letter explains the proposed process and steps the Government is willing to take to continue to advance the very important Northern Transformation Project and associated developments.

Please continue to work with staff from the Office of the Coordinator-General on this matter but do contact me or my office if we can be of assistance.

Yours sincerely

[redacted]

Eric Abetz MP
Minister for Business, Industry and Resources

UNIVERSITY of TASMANIA

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

By email: Simon.Scott@parliament.tas.gov.au

Dear Ruth

Thank you for your letter requesting a progress update on the Newnham campus land title. With the opening of The Shed at Inveresk in October 2024 marking the final transition of students and staff from the Newnham to the Inveresk campus, we have been continuing to plan for the future of the Newnham campus.

The University will retain an education and research presence at the Newnham campus, as the home base for the Australian Maritime College, Tasmanian Institute of Agriculture and the Centre for Sustainable Architecture in Wood and Australian Forest and Wood Innovations. To support these nation-leading teaching and research institutes, planning for future developments at Newnham have considered how we can draw together the current uses of the site, including maritime and defence education and training, timber and agricultural research, alongside opportunities to host business and industry partnerships. In addition to education and research, the Newnham Masterplan identifies opportunities to create a mixed-use, community precinct which includes new residential homes, community facilities and green recreation spaces to support a vibrant future for Newnham. These plans align with the current Newnham Campus Redevelopment Deed between the University and the Crown.

These developments, particularly proposed residential investments at Newnham, are predicated on the assumption that the University will hold an unencumbered fee simple title to Lot 3 at Newnham, which requires removal of the existing education covenant on this land.

The January 2018 Grant Deed for the Inveresk Campus relocation outlined a method for removing the education covenant on Lot 3 at Newnham, with the Crown responsible for its removal. However, by mid-2022, when this process was enacted four years after being agreed on, the Solicitor-General advised that the process was no longer available. This advice prompted negotiations between the Crown and the University to find an alternative solution for removal of the education covenant.

During these discussions, Crown Law proposed that the University surrender Lot 3 at Newnham to the State, allowing the education covenant to be removed with the approval of both houses of Parliament. However, there was no certainty that this parliamentary process would protect the University's interests in the site. This proposal required the University to take on additional significant risk, which was not present under the original January 2018 Grant

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Deed mechanism, and which had the potential to disrupt existing University operations at Newnham and hinder fulfillment of the Newnham Masterplan.

As a result, the University sought a revised Grant Deed, including determining a new process to minimise risk, and we collaborated with Crown Law and the Office of the Coordinator-General to revise the Grant Deed. Under this arrangement, the University surrenders the land to the Crown and takes a leasehold of the land, anticipating that Parliament will agree to lift the education covenant and return the land to the University. If Parliament does not approve the removal, the leasehold continues for a 50-year term in favour of the University. This approach mitigates some risk, allowing the University to continue its operations at Newnham under a lease agreement. Although this does not eliminate all risks and may complicate further investment and the achievement of the Newnham Masterplan, the University accepted this proposal to enable progress toward creating a vibrant Newnham precinct.

We note you hold a copy of correspondence from Minister Abetz dated 19 September 2024. For completeness we enclose a copy of our response to Minister Abetz dated 6 December 2024, where we confirm our understanding of this agreed process for return of an unconditional fee simple in Lot 3 to the University. Under the deeds referred to in that letter, the Crown has until 30 June 2025 to complete this fee simple process. We understand that the Crown has every intention of meeting this deadline, which will enable further development and progress at the Newnham campus.

We have now successfully worked with the State Government for many years to deliver the Northern Transformation Project at Inveresk. With the Inveresk campus complete, the final two milestone payments to the University under the Inveresk Grant Deed are due. We were pleased to receive recent correspondence from Minister Eric Abetz indicating that these payments will be resolved by the end of March 2025.

We are committed to delivering a vibrant and shared precinct at Newnham for education, research, community and industry use, and we look forward to progressing this further in the second half of 2025, following completion of the fee simple process and removal of the education covenant.

Yours sincerely

[redacted]

Professor Rufus Black
Vice-Chancellor

14 March 2025

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The Hon Eric Abetz MP
Minister for Business, Industry and Resources
GPO Box 123
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By email: Minister.Abetz@dpac.tas.gov.au

Dear Minister Abetz

Thank you for your letter noting the Government's continuing support for the University's relocation to Inveresk through the Northern Transformation Project, which we very much appreciate. We were delighted to open The Shed in October 2024, which marks a major milestone in this important project for the University, the region and indeed the island.

With construction of The Shed now complete, all milestones required under the Inveresk relocation Funding Deed have been achieved. We are preparing the milestone documentation for the final instalment and will submit this to the Office of the Coordinator-General before the end of this year.

Thank you for progressing the matters regarding the redevelopment of the Newnham land. We appreciate the Government's work to date on the proposal and the detailed explanation of the proposed process is helpful.

We have now completed settlement of the Deed of Variation of the Inveresk Grant Deed, the Newnham Campus Redevelopment Deed, Deed of Surrender, Lease of the Newnham campus land and hand over of the titles and Transfer of Land.

From your letter, we understand the next step is with the Crown to finalise the Section 64 process to transfer an unconditional fee simple in the Lot 3 title back to the University, subject to the University granting a mortgage and a covenant to the Crown. This will enable opportunities for further investment at the Newnham campus to be realised, creating a vibrant educational and community precinct for Northern Tasmania.

Thank you again for your continued support for the University's relocation to Inveresk and the future of the Newnham campus. The vision of the Northern Transformation Project has been delivered through strong partnerships, and we

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look forward to continuing to work in partnership as we make education more visible and accessible in all parts of Tasmania.

Yours sincerely

[redacted]

Professor Rufus Black
Vice-Chancellor

6 December 2024

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Tasmanian Government

14 MAR 2025

Mr Simon Scott
Committee Secretary
Public Accounts Committee
E: [redacted]

Dear Mr Scott

Thank you for the letter from the Hon Ruth Forrest MLC, Chair of the Parliamentary Standing Committee of Public Accounts, dated 26 February 2025.

I welcome the opportunity to provide an update on the University of Tasmania's (UTAS) Newnham Campus land title condition.

As the Committee would be aware, UTAS's Newnham Campus land is subject to a condition on title requiring it be used for educational purposes by UTAS, with the title reverting to the Crown if UTAS ceases to use it for such purposes.

Under the Launceston City Deal, which has facilitated the relocation of UTAS's main campus from Newnham to Inveresk, the Government agreed that it would remove the educational condition to enable UTAS to redevelop the Newnham land under an agreed Master Plan. A portion of the Newnham land (Lot 2) was earmarked for sale to the Department of Defence (DoD) for construction of a Defence Cadet Training Facility (DCTF).

In mid-2022, when preparations to remove the condition on title were underway, it was identified that the originally proposed method was no longer suitable, necessitating an alternative solution. UTAS was provided with a solution to enable the sale of land to DoD without disadvantage while the process to remove the condition on the remaining land was completed.

This resulted in lengthy commercial and legal negotiations with an in-principle agreement eventually being reached, which was subject to Ministerial approvals. Following these negotiations, various documents were drafted and shared with UTAS to formalise the agreement.

I am pleased to report that following these extensive negotiations, the Newnham Campus was surrendered back to the Crown in December 2024. After surrender, the site was leased back to UTAS for continued operation, and a sale contract for Lot 2 was exchanged between DoD and the Crown in February. I am also pleased to advise the Committee that settlement of this sale occurred in mid-March.

This now enables DoD to commence construction of the DCTF, a multimillion-dollar project that will deliver significant benefits not only to Launceston's northern suburbs but also to the broader community, fostering strategic alignment with the defence industry. I would like to formally acknowledge DoD's patience and professionalism as we navigated the complex issues with UTAS.

As part of the negotiated agreement, the Government has committed to endeavouring to transfer the remaining Newnham land back to UTAS free of the condition on title, allowing UTAS to continue redevelopment under the agreed Master Plan. This process will involve tabling a motion before both Houses of Parliament under the Crown Lands Act.

The Tasmanian Government remains committed to honouring its agreements and looks forward to the timely resolution of this matter.

Thank you again for the opportunity to respond to the Committee's inquiries.

Yours sincerely

[redacted]

Eric Abetz MP
Minister for Business, Industry and Resources