



UNIVERSITY of  
TASMANIA

Office of the  
Vice-Chancellor

The Hon Peter Gutwein MP  
Treasurer  
Level 9, 15 Murray St  
Hobart TAS 7000

By email: [peter.gutwein@parliament.tas.gov.au](mailto:peter.gutwein@parliament.tas.gov.au)

Dear Treasurer

I am writing to you to seek approval to extend the University's current overnight borrowing limit with TASCORP from \$50M to \$75M for a period of 6 months, until 12 December 2019. This request is to meet interim requirements pending a medium-term funding solution to support the University's strategic plans. The University is required to seek your written approval as Treasurer, under section 7(2) of the *University of Tasmania Act 1992*, to borrow money.

To facilitate this, it would be appreciated if you could please confirm in writing your approval of the temporary increase in the borrowing limit with TASCORP from \$50M to \$75M until 12 December 2019.

Yours sincerely

Professor Rufus Black  
Vice-Chancellor

21 June 2019

cc: Mr Tony Ferrall, Deputy Secretary – Department of Treasury and Finance

Department of Treasury and Finance

25 JUN 2019

The Treasury Building  
21 Murray Street HOBART TAS 7000  
GPO Box 147 HOBART TAS 7001 Australia  
Telephone (03) 6166 4444 Facsimile (03) 6173 0219  
Email secretary@treasury.tas.gov.au Web www.treasury.tas.gov.au



Minute to the Treasurer

Critical Date:

URGENT

**Subject:** University of Tasmania increased overnight borrowing facility

Approved/Not approved/Noted

Hon Peter Gutwein MP  
Treasurer

Recommendation:

It is recommended that you:

- I. note that the University of Tasmania (UTAS) has written to you requesting an approval to increase their existing overnight borrowing facility limit with Tasmanian Public Finance Corporation (Tascorp) from \$50 million to \$75 million until 12 December 2019;

[REDACTED]

[REDACTED]

Tony Ferrall  
Secretary

24 June 2019

Released Under RTI

**Background:**

The University wrote to you on 20 June 2019 requesting a temporary increase of \$25 million to the University's existing overnight borrowing facility limit with Tascorp.

Section 7(2) of the *University of Tasmania Act 1992* requires the University to obtain the written approval of the Treasurer to borrow money.

**Overview of the overnight borrowing facility**

[REDACTED] The University is now seeking a \$25 million increase to its existing overnight borrowing facility limit to \$75 million. The University request is based on [REDACTED]:

- an opportunistic acquisition of the \$30 million K&D site in the Hobart CBD;
- [REDACTED]

[REDACTED]

**Other matters**

[REDACTED]

It must also be noted that recently the University has made a number of strategic decisions, involving large infrastructure projects, which will potentially impact future borrowing requirements.

[REDACTED]

Document reference: 19/108480

Contact Officer: [REDACTED]

Shareholder Policy and Markets Branch

Telephone: [REDACTED]

**Treasurer**

25 JUN 2019



Level 9 Executive Building  
15 Murray Street HOBART TAS 7000  
Ph +61 3 6165 7670  
Email [treasureroffice@dpac.tas.gov.au](mailto:treasureroffice@dpac.tas.gov.au)

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

Dear Professor Black

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

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

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

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

Yours sincerely

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

Hon Peter Gutwein MP  
**Treasurer**

Treasurer

25 JUN 2019



Level 9 Executive Building  
15 Murray Street HOBART TAS 7000  
Ph +61 3 6165 7670  
Email treasureroffice@dpac.tas.gov.au

Mr T Ferrall  
Chairman  
Tasmanian Public Finance Corporation  
BPO Box 1207  
HOBART TAS 7001

Dear Mr Ferrall

**University of Tasmania Overnight Borrowings**

As you would be aware, the University has requested an increase to its overnight borrowing facility limit from \$50 million to \$75 million until 12 December 2019.

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

I have written to advise UTAS of this decision. [Redacted]

Yours sincerely

Hon Peter Gutwein MP  
Treasurer

Released Under RTI

**Archived:** Thursday, 20 July 2023 3:16:01 PM  
**From:** [REDACTED]  
**Sent:** Monday, 16 September 2019 2:39:45 PM  
**To:** [REDACTED]  
**Subject:** FW: University of Tasmania - medium term funding solution  
**Importance:** Normal  
**Sensitivity:** None  
**Attachments:**  
[Letter to Hon P Gutwein.pdf](#)

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**From:** [REDACTED]  
**Sent:** Sunday, 15 September 2019 3:35 PM  
**To:** Ferrall, Tony <Tony.Ferrall@treasury.tas.gov.au>  
**Cc:** [REDACTED] >  
**Subject:** University of Tasmania - medium term funding solution

Hi Tony

As you may be aware the University is engaging with Tascorp on a medium term funding solution. To support the process, attached is a letter to the Treasurer, broadly detailing the request.

As stated in the letter we would be pleased to provide any additional information required to support the process.

Regards

[REDACTED]

[REDACTED]

Financial Services  
University of Tasmania  
Corporate Services Building, Private Bag 53  
Hobart TAS 7001

[www.utas.edu.au](http://www.utas.edu.au)



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University of Tasmania Electronic Communications Policy (December, 2014).

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UNIVERSITY of  
TASMANIA

Office of the  
Vice-Chancellor

The Hon Peter Gutwein MP  
Treasurer  
Level 9, 15 Murray St  
Hobart TAS 7000

By email: [peter.gutwein@parliament.tas.gov.au](mailto:peter.gutwein@parliament.tas.gov.au)

Dear Treasurer

Thanks you for your letter of 25 June 2019 approving the University's request to increase its working capital facility by \$25m for a six-month period, pending a medium-term funding solution. This request related to strategic acquisitions and the timing of grant funds.

The University is now engaging with TASCORP on its medium-term funding solution, which incorporates the following:

- an increase to the existing term debt of \$100m by \$25m, to partially fund \$60m of University operated student accommodation acquisitions during 2018 and 2019; and
- a total working capital facility of \$75m, representing an extension of the temporary increase of \$25m approved in June 2019 to mitigate cashflow pressure during the construction of the Northern Transformation and timing of grant funding.

The University is assisting TASCORP to meet its Board requirements to enable a decision on the proposed medium-term funding solution. The TASCORP Board are due to meet in September and October, and at the appropriate time the University will request your written approval for the additional borrowings as required under section 7(2) of the University of Tasmania Act 1992.

During this time, the University would be pleased to provide any additional information required to support this process.

Yours sincerely

Professor Rufus Black  
Vice-Chancellor

12 September 2019

cc: Mr Tony Ferrall, Secretary – Department of Treasury and Finance



Department of Treasury and Finance

The Treasury Building  
21 Murray Street HOBART TAS 7000  
GPO Box 147 HOBART TAS 7001 Australia  
Telephone (03) 6166 4444 Facsimile (03) 6173 0219  
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Minute to the Treasurer

25 OCT 2019

Critical Date: 18 October 2019

**Subject:** University of Tasmania - medium term borrowing

**Approved/Not approved/Noted**

Hon Peter Gutwein MP  
Treasurer

**Recommendation:**

It is recommended that you:

1. note you approved a short term increase (\$25 million) to the University of Tasmania's (the University's) overnight borrowing limit in June 2019;
2. note the University has written to you indicating that it is engaging with the Tasmanian Public Finance Corporation (Tascorp) on a medium-term borrowing requirement and that it will be seeking your formal approval for a higher limit in the near future;

[REDACTED]

[REDACTED]

5. sign the attached letter to the Vice-Chancellor of the University outlining the information that you will require to assess the current medium-term borrowing limit increase and outlining an approach for future borrowing approval requests.

Tony Ferrall  
Secretary

4 October 2019

Under RTI

**Background:**

The University wrote to you on 12 September 2019 providing an update on its discussions with Tascorp regarding its borrowing requirements.

As you are aware, section 7(2) of the *University of Tasmania Act 1992* (the Act) requires the University to obtain the written approval of the Treasurer before exercising its power to borrow money.

This Minute:

- provides a brief summary of the short-term borrowing approval you provided under section 7(2) of the Act in June 2019;
- [REDACTED]

**Short term borrowing requirement**

As you would recall, the University wrote in June 2019 seeking your approval to temporarily increase its overnight borrowing facility limit with Tascorp by \$25 million (to \$75 million) until 12 December 2019. Given the temporary nature of the request, you approved the increase on the basis that the Tascorp Board continues to be satisfied that the University is able to service this level of debt and is prepared to increase the overnight borrowing facility limit.

**Medium term borrowing requirement**

The University's letter of 12 September 2019 indicates that it is currently engaging with Tascorp on a medium-term funding solution. [REDACTED]

[REDACTED]

[REDACTED]

The University currently has an approved total borrowing limit of \$175 million. The medium-term borrowing requirement is for a total borrowing limit of \$200 million.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

It should be noted, that the Tascorp borrowing approval process and the Treasurer's approval process under the Act are separate. Approval in one process does not constitute or imply approval in the other process.

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

[REDACTED]

**Proposed approval framework for future requests**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Document reference: 19/167185

Contact Officer: [REDACTED]  
Shareholder Policy and Markets  
Branch

Telephone: [REDACTED]

Released Under

Treasurer

23 OCT 2019



Level 9 Executive Building  
15 Murray Street HOBART TAS 7000  
Ph +61 3 6165 7670  
Email treasureroffice@dpac.tas.gov.au

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

Dear Professor Black *Rufus,*

### University of Tasmania Medium-Term Funding Solution

I refer to your letter dated 12 September 2019 advising that the University is engaging with the Tasmanian Public Finance Corporation (Tascorp) on a medium-term funding solution.

As you are aware section 7(2) of the *University of Tasmania Act 1992* requires the University to obtain my written approval as Treasurer before exercising its power to borrow money. This process is separate from Tascorp's borrowing approval process. Approval in one process does not constitute or imply approval in the other process.

So that I can consider the University's medium-term borrowing requirements fully as outlined in your letter, I will require the following:

- business cases in support of increased borrowing;
- operating budget and year to date outcomes;
- Council approved 5 year strategic plan;
- long term financial forecasts;
- sensitivity/scenario analysis covering key risks; and
- Full details of existing borrowings and other debt like obligations.

As the Tascorp borrowing approval process and the requirement under section 7(2) of the Act are not linked there is no need for the processes to run sequentially and I would encourage you to provide the information requested as soon as possible.

### Future approval process

As you would understand there are risks to both the State and Tascorp associated with the University's long term business strategy and funding requirements, and therefore I believe that a more robust framework should be implemented to consider future requests for approval under section 7(2) of the Act.

I am of the view that a sound foundation for the framework would be to base it upon the University obtaining (and maintaining on an annual basis) a stand-alone credit assessment from an approved rating agency (i.e. Moody's or S&P). This rating, together with other key documents the University

will be required to provide on an annual basis, will inform a borrowing limit that will be approved under section 7(2) of the Act for the University on an annual basis. The documents the University will be required to provide annually will likely be similar in nature to the documents requested in relation to the medium-term funding solution.

This annual process will ensure the economic and fiscal risks to the State are understood and managed, and also enable the University to manage its borrowings within set parameters. The framework will apply irrespective of how the University accesses borrowing facilities (Tascorp or market via financial institutions).

I have requested Treasury to consult with key personnel in the University in finalising the framework.

If you have any queries in relation to this letter please contact [REDACTED] at the Department of Treasury and Finance on [REDACTED] [REDACTED] [REDACTED]

Yours sincerely



Hon Peter Gutwein MP  
Treasurer

Released Under RIA

**Archived:** Thursday, 20 July 2023 3:29:27 PM

**From:** [REDACTED]

**Sent:** Tuesday, 29 October 2019 2:50:48 PM

**To:** [REDACTED]

**Subject:** FW: University of Tasmania medium-term borrowing requirements - Requested documentation

**Importance:** Normal

**Sensitivity:** None

**Attachments:**

[Attachment 1 - Business case for increased borrowings.pdf](#); [Attachment 3 - Council approved 5 year strategic plan.pdf](#); [Attachment 4 - Long term financial forecasts.xlsm](#); [Attachment 5 - Sensitivity analysis.pdf](#); [Attachment 6 - Existing borrowing arrangements - University of Tasmania Annual Report 2018.pdf](#); [Attachment 7 - Other arrangements.pdf](#); [Attachment 2 - Tascorp Funding Update.pdf](#);

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**From:** [REDACTED]

**Sent:** Monday, 28 October 2019 3:44 PM

**To:** [REDACTED]

**Cc:** [REDACTED]

**Subject:** FW: University of Tasmania medium-term borrowing requirements - Requested documentation

Hi [REDACTED]

Following our discussion this morning and the recent correspondence from the Treasurer, documentation requested to support the approval process for the University's medium term borrowing requirements under section 7(2) of the Act is attached:

- Business case in support of increased borrowing (Attachment 1 and Attachment 4)
- Operating budget and year to date outcomes (Attachment 4)
- Council approved 5 year strategic plans (Attachment 3)
- Long term financial forecasts (Attachment 2 & 4)
- Sensitivity analysis covering key risks (Attachment 5)
- Full details of existing borrowings and other debt like obligations (Attachment 6 & 7 – including arrangements associated with Purpose Built Student Accommodation)

I have included [REDACTED] to support navigation of any of the documents.

Please let me know if you have questions or how we can help facilitate.

Thanks

[REDACTED]

[REDACTED]

Financial Services  
University of Tasmania  
Corporate Services Building, Private Bag 53  
Hobart TAS 7001



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CRICOS 00586B

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Released Under RTI



## UNIVERSITY COUNCIL

**From** David Clerk, Chief Operating Officer

**Date** 30 August 2019

**Subject** **Medium-term funding solution**

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### RECOMMENDATION

That Council approve a medium-term funding strategy to meet cashflow requirements that requires:

- an increase to the University's borrowing of \$50 million as term debt; and
- potential drawdown from the Investment Portfolio of up to \$20 million.

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### EXECUTIVE SUMMARY

The University's balance sheet strategy in our low interest rate but high equity returns environment has been to use debt to finance our current operations enabling us to grow the asset base of the University.

As we have started to move into the design and construction phase of the Northern Transformation, complete the Hedberg and commence the strategy to move into the Hobart CBD our need to make significant capital expenditure has increased. We have also funded accommodation required by our strategy to increase the number of international students. As a result, this year we have made \$78 million in capital acquisitions and investments in accommodation.

Therefore, our debt facilities need to be increased to enable us to maintain our priority of balance sheet strength while funding this stage of our Northern and Southern infrastructure projects.

The medium-term funding solution to meet the projected cashflow requirements is consistent with the target of maintaining a strong balance sheet and its design is guided by the following:

- Use of cash balances and short-term facilities to fund the 2019 strategic capital acquisitions. These funds have, in part, come from a temporary increase in the University's overdraft facility of \$25 million, that expires in December
- To date, the decision has been not to drawdown on the investment portfolio realising the benefits of low interest rates and the return objectives of the portfolio.
- Increased clarity around key financial inputs regarding the Northern Transformation project:
  - timing and quantum of capital expenditure associated with the project
  - outcomes of grant negotiations with Federal Government grant funding are known pending formal approval by the Prime Minister

Whilst the capital acquisitions place pressure on cashflow, the balance sheet remains strong, with net assets increasing by \$18 million since December 2018 to \$980 million.

The medium-term funding solution requires total debt to increase from \$150m (\$100 million term debt and \$50 million overdraft facility) to \$200 million (\$150 million term debt and \$50 million overdraft facility).

The proposed term debt increase of \$50 million provides sufficient liquidity to manage the timing differential between capital expenditure and grant funding for the Northern Transformation project and is required from November 2019. A potential drawdown of up to \$20 million from investment funds provides additional flexibility to meet projected capital expenditure requirements relating to the Hedberg and the Northern Transformation projects from September 2019.

Early engagement with the Tasmanian Public Finance Corporation (TASCORP) has provided initial guidance on lending parameters, approval processes and associated timelines. The University is also

engaging with major lenders.

Furthermore, in accordance with the University of Tasmania Act 1992, the University is seeking Treasury approval which will consider the recommendation of TASCORP and Treasury's broader strategy.

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## STRATEGIC ACQUISITIONS AND BALANCE SHEET IMPACT

Throughout 2019, the University has continued to maintain a strong balance sheet, evidenced by a \$18 million increase in net assets from \$962 million as at December 2018 to \$980 million as at the end of July 2019.

Capital spend in 2019 has been driven by strategic projects and acquisitions totalling \$78 million, which include:

- Southern property acquisitions - \$41 million
  - K&D site - \$30 million
  - Land acquisitions - \$11 million
- Student accommodation refurbishments - \$13 million
- Student accommodation acquisitions - \$24 million

This is in addition to acquisitions in 2018 including the Midcity Hotel and the Forestry Building, totalling \$44 million.

These acquisitions have been funded from cash balances, the existing short-term facilities and an additional temporary overnight borrowing facility approved in June. Overall the impact on the University's cash position is a decrease in cash of \$75 million since December 2018.

The University currently has a total approved borrowing of \$150 million, with a further \$25m temporary increase approved until December 2019. This is comprised of the following facilities with TASCORP:

Term debt facility	\$100 million (due March 2023)
Overnight borrowing facility	\$ 50 million
Temporary Overnight borrowing facility	\$ 25 million (expires 12 December 2019)
	<b>\$175 million</b>

## USE OF INVESTMENT PORTFOLIO

Not drawing on the investment portfolio, or monetising existing assets, allows for greater optionality in the future, and has provided a significant return from the portfolio.

The investment principles recommended to the August Council meeting, and the *Investment Policy*, support the use of investment funds for the renewal of the physical infrastructure and to support strategic purposes.

The potential drawdown of investment funds, up to \$20 million, provides a flexible solution to manage liquidity to meet projected capital expenditure requirements relating to Hedberg and the Northern Transformation projects from September 2019 onwards. It also supports the proposed funding strategy by allowing for negotiations with lenders to reach their conclusion in accordance with prescribed timelines.

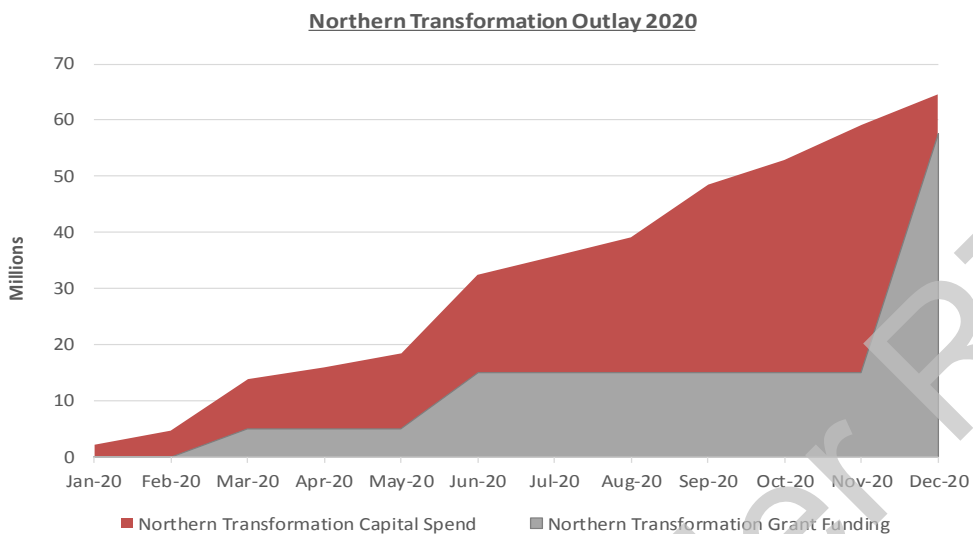
## CERTAINTY OF KEY FUTURE FINANCIAL INPUTS

Capital cashflows (expenditure) for the Northern Transformation project are now more certain, along with the timing of Federal and State funding available for the project. Federal funding is now only awaiting approval by the Prime Minister.

With improved forecasts, the cash required to meet timing differences between the capital spend and grant funding have been projected and are reflected in the chart 1 below. This highlights the timing

challenge between capital expenditure, which occurs throughout 2020, and the related grant funding, which is predominantly received in December.

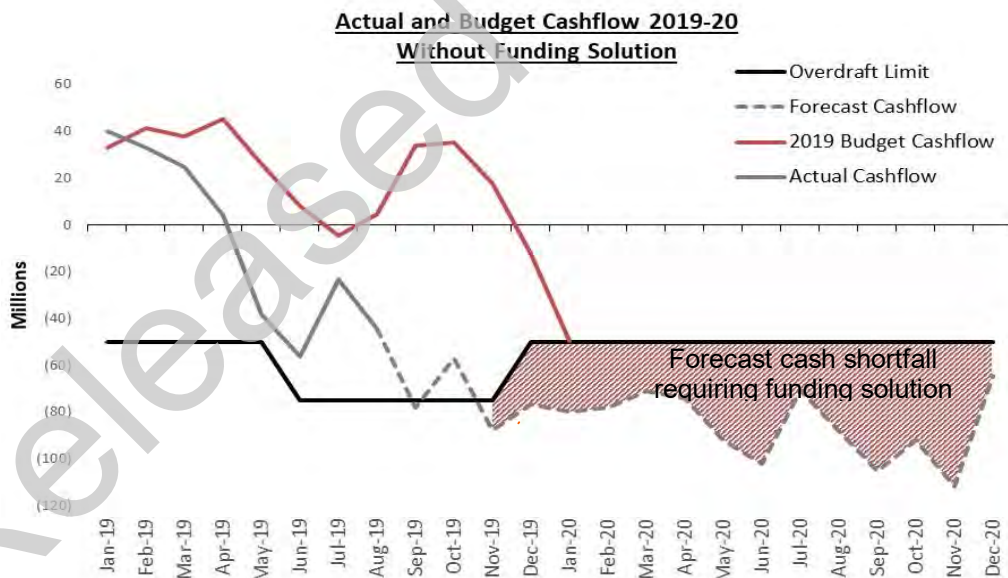
**Chart 1:**



**PROPOSED MEDIUM-TERM FUNDING STRATEGY**

The liquidity and funding gap which is being addressed through the implementation of the proposed medium-term funding solution is shown in Graph 1 below.

**Graph 1: Forecast Cashflow (pre implementation)**



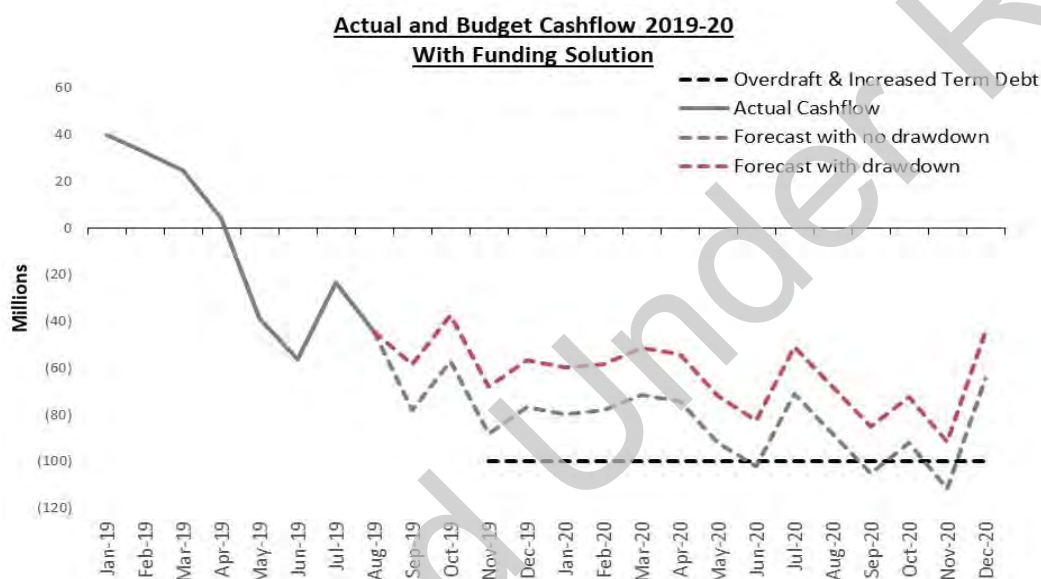
\* Northern Transformation grant funds expected in December 2019, July 2020 and December 2020

The proposed medium-term funding solution with an increase in term debt of \$50 million and a maximum investment drawdown of \$20 million is projected to meet the obligations for the Northern Transformation project. The impact is detailed in Table 1 and Graph 2 below.

**Table 1:**

	January 2019	Current (at 8 August 2019)	Proposed (December 2019)
TASCORP Term Debt Facility	\$94 million	\$94 million	\$150 million
TASCORP Overdraft Facility	\$50 million	\$75 million	\$50 million
Cash Position	\$32 million	(\$35) million	\$0 - (\$10) million
Investment Portfolio Balance	\$375 million	\$400 million	\$380 million

**Graph 2: Cashflow Forecast (post implementation)**



The formal approval received from TASCORP for the increase in the overdraft facility outlined that a request for an increase to the University's term debt facility would require a full review of detailed business plans and financial forecasts by the TASCORP board.

The process with TASCORP has commenced and are expected to conclude towards the end of October, with a facility to be in place by November, subject to approval from the Treasurer, as required by the University of Tasmania Act 1992.

The proposed medium-term funding strategy adheres to the stated objectives of the Treasury Policy, which are to:

- ensure that the University effectively manages its asset base, working capital, investment portfolio and any related borrowings; and
- ensure that the University maximises efficiency and minimises financial risks associated with its operations.

The proposed medium-term funding strategy results in a consolidated debt to equity ratio of 20.4% which is within the approved limit set out in the Treasury Policy of 25% and complies with the requirement for borrowings to contribute to the University's strategic objectives.

**RESPONSIBLE OFFICER**

██████████  
████████████████████



UNIVERSITY of  
TASMANIA

**Office of the  
Vice-Chancellor**

The Hon Peter Gutwein MP  
Treasurer  
Parliament House  
Hobart TAS 7001

By email: [peter.gutwein@dpac.tas.gov.au](mailto:peter.gutwein@dpac.tas.gov.au)  
Cc: [tony.ferrall@treasury.tas.gov.au](mailto:tony.ferrall@treasury.tas.gov.au)  
[REDACTED]

Dear Treasurer

Thank you for your letter of 23 October 2019 regarding the University's medium-term funding solution and establishing a future approval process for borrowings.

I am pleased that the Tasmanian Public Finance Corporation (Tascorp) Board has now approved in principle the University's medium-term funding solution as outlined in my letter of 12 September 2019. I now formally seek your written approval as required under section 7(2) of the University of Tasmania Act 1992. To assist your consideration of this request, our [REDACTED], has provided Treasury with the information requested in your letter of 23 October 2019. We are hopeful of having this resolved by the end of November [REDACTED].

Going forward, I agree that we should work together to develop an appropriate framework for the consideration of the University's unique circumstances with respect to future requests for approval under section 7(2) of the Act. Given our commitment to be a University of and for the State, our long-term strategy presents significant opportunities for the University and State to work in partnership for mutual benefit, as we already are through the Tasmanian City Deals and the Kangaroo Bay project. While working together in this way can be complex, I am confident that it will ultimately produce enduring economic and productivity benefits for Tasmania.

As I indicated at our last meeting, it would be useful for the University to work more closely with Treasury at a strategic level to develop a joint understanding of how the University can support the achievement of the State's economic and fiscal goals. Accordingly, I suggest that you and I meet, along with the Secretary of the Treasury and the University's



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Chief Operating Officer, before the end of 2019 to commence discussions around a framework for borrowings that is situated within this broader strategic context.

Thank you again for writing to me on this matter.

Yours sincerely

A handwritten signature in black ink that reads "Rufus Black".

Professor Rufus Black  
**Vice-Chancellor**

30 October 2019

Released Under RTI



## Tasmanian Public Finance Corporation

114 Murray Street Hobart Tasmania 7000  
 GPO Box 1207 Hobart Tasmania 7001  
 Phone (03) 8396 1200 Intl 61 3 8396 1200  
 Fax (03) 9086 4195 Intl 61 3 9086 4195  
 ABN 75 403 768 119



31 October 2019

The Hon. Peter Gutwein, MP  
 Treasurer  
 Level 9, Executive Building  
 15 Murray Street  
 HOBART TAS 7000

Dear Treasurer

### UTAS Borrowing Limit and MLFA Changes

I write to inform you that the TASCORP Board has approved a borrowing request from the University of Tasmania (UTAS) to provide the following facilities:

- \$125 million term borrowing until 2023; and
- \$75 million overnight working capital facility.

Approval of the facilities listed above is conditional upon:

- UTAS agreeing to amendments to the Master Loan Facility Agreement (MLFA) such that the following become events of acceleration, if UTAS:
  - enters into any financial indebtedness without the prior written consent of TASCORP;
  - reduces its unrestricted investment portfolio to less than the outstanding borrowings with TASCORP; or
  - fails to provide formal written updates on the progress of the Capital Expenditure Program on a semi-annual basis.
- TASCORP receiving a copy of the Treasurer's written approval for UTAS to increase its borrowing to \$200 million as required under section 7(2) of the *University of Tasmania Act 1992*.

The increase in borrowings is intended to provide funding to cover timing differences between construction costs on the Northern Transformation Project and government grants or internal revenue generation and to provide term funding for the recent purchase of Hobart CBD student accommodation.

TASCORP understand that UTAS is considering different funding models for the Southern Infrastructure Projects (SIP). As the SIP business case is yet to be finalised, TASCORP is not prepared to lend for the SIP at this time. TASCORP will consider future borrowing requests by UTAS on a case by case basis.

TASCORP also understand that UTAS' plans for the SIP at this stage contemplate a rollover of its borrowings with TASCORP in 2023. For the avoidance of doubt, if TASCORP is not satisfied with UTAS' overall financial performance, the progress and performance of the capital expenditure program, and/or UTAS' future funding strategy for the SIP, TASCORP may choose not to refinance UTAS' borrowings post 2023 on a stand-alone basis. However, TASCORP will fully consider such a request based on UTAS' financial position and forecasts at that time.

Yours sincerely

A J Ferrall  
 Chairman

# Department of Treasury and Finance

Ministerial Briefing  
Treasurer



**Subject:** Meeting with the University of Tasmania - Framework for Borrowings

**Date prepared:** 11 November 2019

**Current until:** 14 November 2019

## Background:

- The University of Tasmania (the University) released its Strategic Plan for the period 2019 to 2024 in July 2019. A key element is the development of the University's next generation of facilities, including the relocation of facilities into Tasmanian CBDs.
- The estimated investment in new infrastructure is approximately [REDACTED] split between the Northern Transformation ([REDACTED]) and Southern Transformation ([REDACTED]) projects.

## Northern Transformation Project

- [REDACTED]
- [REDACTED]

## Southern Transformation Projects

- Performing Arts Hedberg: A creative arts centre connected to the Theatre Royal is nearing completion at a cost of [REDACTED] funded by a combination of University, State and Australian government funding.
- Phase 1: The building of a Science, Technology, Engineering and Mathematics (STEM) campus, along with a library, to be built on land already purchased. The estimated cost is [REDACTED], with a sale and leaseback from a third party proposed as the funding strategy.
- Phase 2: This is a longer-term plan to transition the remainder of the academic campus in Sandy Bay to the Hobart CBD. The estimated cost is around [REDACTED] with a timeline between 2024-2031. The funding strategy includes additional borrowings.

## University borrowings

- [REDACTED]



- Section 7(2) of the *University of Tasmania Act 1992* (the Act) requires the University to obtain the written approval of the Treasurer before exercising its power to borrow money.

- [REDACTED]

- The Tascorp borrowing approval process and the Treasurer's approval process under the Act are separate. Approval in one process does not constitute or imply approval in the other process.

- Currently all borrowing facilities are currently through Tascorp, however, the University has the ability to access both the State's central borrowing authority, Tascorp, and the market directly. Section 7(2) of the Act applies regardless of how the University accesses borrowings.

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

*Temporary increase to overnight borrowing facility*

- The University wrote to you on 20 June 2019 requesting a temporary increase of \$25 million to the University's existing overnight borrowing facility limit with Tascorp.
- The temporary increase was needed as a result of cashflow pressures arising from the recent purchase of the K&D site and the reprofiling of other grant funds previously expected in 2019.
- You approved the temporary increase in the overnight borrowing facility limit from \$50 million to \$75 million until 12 December 2019, on the basis of the Tascorp Board's approval.

- [REDACTED]

*Medium term funding solution*

- The University wrote to you on 12 September 2019 providing an update on its discussions with Tascorp regarding its borrowing requirements.
- The University's letter of 12 September 2019 indicates that it was engaging with Tascorp on a medium-term funding solution to consist of:
  - maintaining an overnight borrowing facility of \$75 million, being a permanent increase of the temporary six month increase of \$25 million approved in June 2019; and
  - a term borrowing facility of \$125 million, being an increase of \$25 million to the existing term borrowing facility.
- At the time, the University had an approved total borrowing limit of \$175 million. The medium-term borrowing requirement is for a total borrowing limit of \$200 million.
- The University wrote to you formally on 30 October 2019 requesting approval of this medium term borrowing requirement.

█ [REDACTED]

█ [REDACTED]

**Future borrowings framework**

█ [REDACTED]

█ [REDACTED]

[REDACTED]

[REDACTED]

█ [REDACTED]

*Proposed Framework*

- Recently you communicated to the University that a more robust framework should be implemented to consider future requests for approval under section 7(2) of the Act. The key elements communicated are outlined below:
  - obtain (and maintain on an annual basis) a stand-alone credit assessment from an approved rating agency (i.e. Moody's or S&P); and
  - provide key documents on an annual basis.

█ [Redacted]

[Redacted]

[Redacted]

- █ [Redacted]
- █ [Redacted]
- █ [Redacted]
- █ [Redacted]
- █ [Redacted]
- █ [Redacted]
- █ [Redacted]

█ [Redacted]

█ [Redacted]

█ [Redacted]

**Other items**

█ [Redacted]

█ [Redacted]

[Redacted]



Prepared by:



Cleared by:



Document reference:

19/196493

Telephone:



Released Under RTI

**Department of Treasury and Finance**

The Treasury Building  
21 Murray Street HOBART TAS 7000  
GPO Box 147 HOBART TAS 7001 Australia  
Telephone (03) 6166 4444 Facsimile (03) 6173 0219  
Email secretary@treasury.tas.gov.au Web www.treasury.tas.gov.au



**Minute to the Treasurer**

**19 NOV 2019**

**Critical Date: 22 November 2019**

**Subject:** The University of Tasmania medium term borrowing request

**Approved/Not approved/Noted**

Hon Peter Gutwein MP  
**Treasurer**

**Recommendation:**

It is recommended that you:

- 1. note that the University of Tasmania (the University) has written to you requesting an approval to increase its borrowing facility limit with the Tasmanian Public Finance Corporation (Tascorp) from \$175 million to \$200 million;
- 2. [REDACTED]
- 3. [REDACTED]
- 4. sign the attached letter to the University and Tascorp advising of the approval to increase the University's borrowing limit.

Released Under RTI

Tony Ferrall  
**Secretary**

12 November 2019

**Background:**

The University wrote to you on 30 October 2019 requesting approval of a medium term borrowing requirement, increasing the University's borrowing facility limit with Tascorp to \$200 million.

The increase in borrowings is intended to provide funding to cover timing differences between construction costs on the Northern Transformation Project and to provide term funding for the recent purchases of Hobart CBD student accommodation.

Section 7(2) of the *University of Tasmania Act 1992* (the Act) requires the University to obtain written approval of the Treasurer to borrow money.

This Minute:

- provides a brief summary of the medium term borrowing requirement and the Tascorp Board approval;
- the application of government guarantee fees to the University; and
- includes a suggested response to the University's 30 October 2019 letter and to Tascorp.

**Medium term borrowing requirement**

As you would recall, the University wrote to you in September 2019 indicating that it was engaging with Tascorp on a medium term funding solution.

[REDACTED]

Tascorp wrote to you on 31 October 2019 indicating it has considered the request and the Tascorp Board has conditionally approved the following facilities:

- \$125 million term borrowing until 2023, being an increase of \$25 million to the existing term borrowing; and
- \$75 million overnight working capital facility, being a permanent increase of the temporary six month increase of \$25 million approved in June 2019.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Document reference: 19/190804

Contact Officer:

[REDACTED]

Director  
Shareholder Policy and Markets  
Branch

Telephone:

[REDACTED]

Released U



UNIVERSITY of  
TASMANIA

**Office of the  
Vice-Chancellor**

The Hon Peter Gutwein MP  
Treasurer  
Parliament House  
Hobart TAS 7001

By email: [peter.gutwein@dpac.tas.gov.au](mailto:peter.gutwein@dpac.tas.gov.au)  
Cc: [tony.ferrall@treasury.tas.gov.au](mailto:tony.ferrall@treasury.tas.gov.au)

Dear Treasurer

Thank you for your letter of 19 November 2019 advising you have approved the University's medium-term borrowing arrangement. Thank you also for the productive meeting of 20 November 2019. I am pleased to hear that subsequent discussions between the Secretary of the Department of Treasury and Finance and the University's Chief Operating Officer have made good progress and I write to confirm our understanding of next steps.

The University has commenced the process of obtaining a credit rating. To provide certainty for the design and the commencement of construction in accordance with our strategy, the University is seeking approval for a \$300 million long term debt facility by 30 June 2020.

Given the lengthy time required to complete the private credit rating process with Moody's, we have discussed with Treasury the possibility of completing the credit rating before the end of the 2020 calendar year. This would obviously mean that while we would need to have satisfied TASCORP's due diligence requirements, we will not have obtained a credit rating at the time the debt facility is approved. We will work with TASCORP to design an appropriate long-term funding solution and agree a process to meet their Board requirements and timelines.

**Office of the  
Vice-Chancellor**

University of Tasmania  
Private Bag 51  
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7001 Australia

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E [Vice.Chancellor@utas.edu.au](mailto:Vice.Chancellor@utas.edu.au)

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UNIVERSITY of  
TASMANIA

I would be grateful for your advice as to the suitability of this proposed way forward.  
Thank you again for your support on these important matters.

Yours sincerely

A handwritten signature in black ink that reads "Rufus Black".

Professor Rufus Black  
**Vice-Chancellor**

18 December 2019

Released Under RTI

Treasurer

Level 9 Executive Building  
15 Murray Street HOBART TAS 7000  
Ph +61 3 6165 7670  
Email treasureroffice@dpac.tas.gov.au

19 NOV 2019



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

Dear Professor Black

### University of Tasmania Medium Term Borrowings


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

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

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

If you have any queries in relation to these payments, please contact [REDACTED] at the Department of Treasury and Finance on [REDACTED].

Yours sincerely

  
Hon Peter Gutwein MP  
Treasurer

**Treasurer**

Level 9 Executive Building  
15 Murray Street HOBART TAS 7000  
Ph +61 3 6165 7670  
Email treasureroffice@dpac.tas.gov.au

19 NOV 2019



Mr T Ferrall  
Chairman  
Tasmanian Public Finance Corporation  
GPO Box 1207  
HOBART TAS 7001

Dear Mr Ferrall

**University of Tasmania Medium Term Borrowings**

Thank you for your letter dated 31 October 2019 advising that the Tasmanian Public Finance Corporation (Tascorp) has considered the University of Tasmania (the University) request to increase its borrowing facility limit from \$175 million to \$200 million.

On the basis that the Tasmanian Public Finance Corporation Board continues to be satisfied that the University is able to service this level of debt and is prepared to increase the University's borrowing facility limit, I have approved the medium term borrowing arrangements as required under Section 7(2) of the *University of Tasmania Act 1992*.

I have written to advise the University of this decision.

Yours sincerely

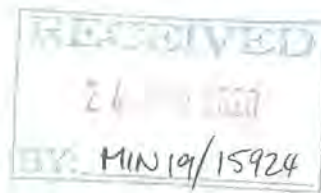
A handwritten signature in black ink, appearing to read "Peter Gutwein".

Hon Peter Gutwein MP  
**Treasurer**

Released under RTI

# Department of Treasury and Finance

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21 Murray Street HOBART TAS 7000  
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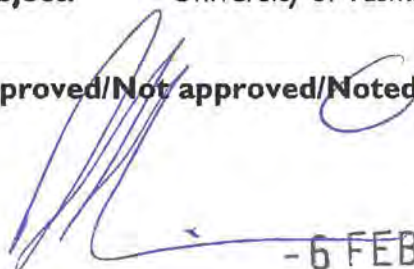


## Minute to the Treasurer

**Critical Date:** 31 January 2020

**Subject:** University of Tasmania Long Term Borrowings

**Approved/Not approved/Noted**

  
- 6 FEB 2020



Hon Peter Gutwein MP  
**Treasurer**

### Recommendation:

It is recommended that you:

1. note the content of this Minute; and
2. sign the attached letter to the Vice-Chancellor of the University of Tasmania.

Released Under RTI

Tony Ferrall  
Secretary

24 January 2020

**Background:**

The University wrote to you on 18 December 2019 seeking approval for a \$300 million long term funding facility by 30 June 2020. The University also indicated that obtaining a credit assessment, as previously requested, will take longer than six months and will not be received before approval is required.

The University is seeking your advice on the suitability of this delay in the credit assessment and obtaining approval under section 7(2) of the *University of Tasmania Act 1992*, considering your previous correspondence to the University on 23 October 2019 outlining the proposed framework for future approvals.

The \$300 million long term funding facility is to guarantee funding before construction commences for Phase I of the Southern Infrastructure Projects (SIP), specifically being the STEM and Library developments. Phase I is anticipated for completion in 2024.

The foundation for the proposed framework for future approvals outlined to the University was the University obtaining (and maintaining on an annual basis) a stand-alone credit assessment from an approved rating agency. The University has indicated the possibility of completing the credit rating before the end of the 2020 calendar year.

[REDACTED]

[REDACTED]

Treasury will consult with key personnel in the University to obtain the documents necessary to consider the long term funding solution.

Attached for your consideration and signature is a letter to the University.

Document reference: 20/6278

Contact Officer:

[REDACTED]

Shareholder Policy and Markets  
Branch

Telephone:

[REDACTED]

Released



PREMIER OF TASMANIA

- 6 FEB 2020

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

Dear Professor Black

### University of Tasmania Long Term Borrowings

I refer to your letter dated 18 December 2019 seeking approval for a \$300 million long term funding facility.

As previously noted, I believe a sound foundation for future approvals of borrowings associated with the University's long term business strategy and funding requirements is the University obtaining a stand-alone credit assessment from an approved rating agency. You have proposed that obtaining the assessment with Moody's will take some time and the University is seeking approval, without the assessment, for a component of the long term funding solution by 30 June 2020.

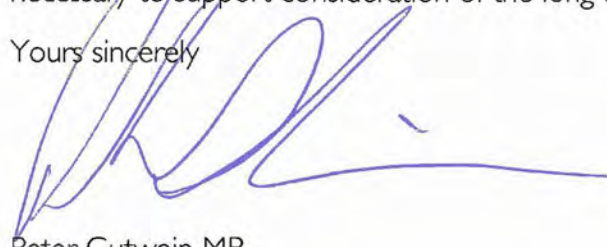
I am not averse to the proposal, and request that the University provide a copy of the engagement letter with Moody's.

So that I can consider the University's long term borrowing requirement as required under 7(2) of the *University of Tasmania Act 1992*, I will require detailed information, including:

- business case in support of increased borrowing;
- year ended 31 December 2019 financial statements;
- updated 2020 operating budget;
- updated long term financial forecasts reflecting revised funding strategy;
- sensitivity/scenario analysis covering key risks; and
- full details of existing borrowings and other debt like obligations.

I have requested Treasury to consult with key personnel in the University to obtain the documents necessary to support consideration of the long term funding solution.

Yours sincerely



Peter Gutwein MP  
Premier

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TASMANIA  
PREMIER OF TASMANIA

25 MAR 2020

Mr A J Ferrall  
Chairman  
Tasmanian Public Finance Corporation  
GPO Box 1207  
HOBART TAS 7001

Dear Mr Ferrall

#### COVID-19 - Lending to Participating Authorities

Under Section 11(2)(b) of the *Tasmanian Public Finance Corporation Act 1985* (the Act), the Tasmanian Public Finance Corporation (Tascorp) may lend money to participating authorities with the approval of the Treasurer. Given the rapidly changing circumstances and evolving response required in relation to COVID-19, I am writing to ensure that all participating authorities can have timely access to sufficient funds from Tascorp.

I therefore approve under section 11(2)(b) of the Act that Tascorp may lend to any participating authority to support cash flow and other funding needs related to COVID-19, including the need to implement Government policy responses to COVID-19. [REDACTED]

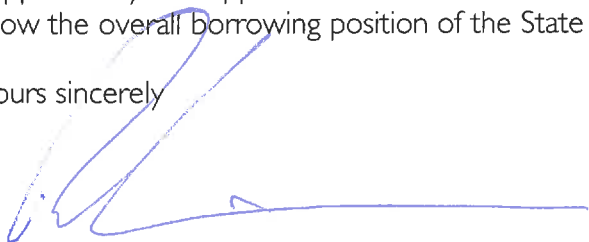
[REDACTED] In relation to these borrowings, the Government will ensure that participating authorities are able to meet any obligations to Tascorp, as and when they fall due. I acknowledge that Tascorp may need to raise long term funding in order to provide this support to participating authorities.

This commitment is separate and in addition to any existing Letters of Comfort or guarantees currently provided to Tascorp. This is a short term measure primarily implemented to support the cashflow needs of participating authorities. At an appropriate time in the future I will consider the arrangements for each authority and if necessary provide specific commitments or consider alternative funding arrangements.



I appreciate your support in relation to this matter and expect Tascorp to keep Treasury informed to allow the overall borrowing position of the State and participating authorities to be monitored.

Yours sincerely



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

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PREMIER OF TASMANIA

15 JUN 2020

Mr A J Ferrall  
Chairman  
Tasmanian Public Finance Corporation  
GPO Box 1207  
HOBART TAS 7001

Dear Mr Ferrall

**COVID-19 Lending to Participating Authorities**

On 25 March 2020 I wrote to approve Tascorp lending to participating authorities to support COVID-19 related cash flow and funding needs. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Again, I would like to thank Tascorp for its ongoing cooperation and support.

Yours sincerely

Peter Gutwein MP  
Premier  
Treasurer

End

Attachment I - Updated Maximum Borrowing Limit for Participating Authorities

Participating authority	April 2020 Borrowing Limit	Borrowings at 1 June 2020	Updated Maximum Borrowing Limit <sup>1</sup>
UTAS	200 000	162 000	200 000

Rele

## Department of Treasury and Finance

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21 Murray Street HOBART TAS 7000  
GPO Box 147 HOBART TAS 7001 Australia  
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Doc reference 20/128939

Professor Rufus Black  
Vice-Chancellor  
University of Tasmania  
[Vice.Chancellor@utas.edu.au](mailto:Vice.Chancellor@utas.edu.au)

Attention: Jo Willsmore

Dear Professor Black

### **COVID-19 Borrowing Arrangements**

As you are aware, the Tasmanian Public Finance Corporation (Tascorp) seeks explicit support from the Treasurer on behalf of the State of Tasmania in certain circumstances, in relation to the borrowings of some Government related entities. This support has normally been issued in the circumstance where Tascorp would be unwilling to lend to an entity on a standalone basis and has taken the form of a Letter of Comfort.

However, to ensure timely access to sufficient funds from Tascorp to respond to the COVID-19 pandemic and implement the Government's policy responses in the current environment has required an alternative approach. Most recently this has taken the form of a letter to Tascorp advising that the Treasurer would guarantee the obligations of all participating authorities, including the University of Tasmania up to an agreed limit. This letter was provided to Tascorp on 15 June 2020.

The borrowing limits were set taking into consideration the current borrowings and existing facilities in place. The maximum borrowing limit set for the University of Tasmania is \$200 million.

To ensure there is appropriate transparency and consistency, the Tasmanian Audit Office has advised that a note should be included in the financial statements of the University of Tasmania and will advise you of the disclosure required to reference this explicit support.

Should you have any queries or require any further information regarding this matter, please contact

Yours sincerely

A handwritten signature in black ink, appearing to read "Tony Ferrall".

for Tony Ferrall  
Secretary

3 August 2020

# Department of Treasury and Finance

## Briefing Note

**To:** Tony Ferrall  
**cc:** Fiona Calvert  
**Subject:** Meeting with the University of Tasmania - Government guarantee and borrowing limits  
**Document reference:** 20/163715

### Meeting details

**Date:** 14 September 2020      **Time:** 4:00pm      **Venue:** Teams

#### Attendees:

Tony Ferrall	Secretary	Treasury
Fiona Calvert	Deputy Secretary	Treasury
[REDACTED]	[REDACTED]	Treasury
David Clerk	Chief Operating Officer	UTAS
[REDACTED]	[REDACTED]	UTAS
[REDACTED]	[REDACTED]	UTAS

#### Background:

- You wrote to the University on 3 August 2020 noting the Treasurer, as a result of the impacts of the COVID-19 pandemic, has guaranteed the obligations of the University with Tascorp up to the maximum borrowing limit of \$200 million.
- The University met with SPM on 21 August 2020 to discuss the ongoing strategy of relocating facilities into Tasmanian CBDs and the next steps in engaging the Treasurer in future funding approvals.

#### University borrowings

- The University wrote to the Treasurer on 18 December 2019 seeking approval for a \$300 million long term funding facility by 30 June 2020.
- The \$300 million long term funding facility was to guarantee funding before construction commences for Phase I of the Southern Infrastructure Projects, specifically being the STEM and Library developments. Phase I is anticipated for completion in 2024.
- The Treasurer wrote to the University on 6 February 2020 requesting the following information to consider the borrowing request:



- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Released Under



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**Office of the  
Vice-Chancellor**

The Hon Peter Gutwein MP  
Premier of Tasmania  
GPO Box 123  
Hobart TAS 7001

By email: [premier@dpac.tas.gov.au](mailto:premier@dpac.tas.gov.au)

Dear Premier

We were very pleased to receive advice from the Secretary of Treasury that the State Government has advised Tascorp that it will guarantee the University of Tasmania's borrowings as part of its response to the uncertainty created by COVID-19. We certainly appreciate this support as we navigate the complexities that 2020 has brought.

I am satisfied that the measures we have put in place to protect revenue and reduce costs are putting us on track to come out of this challenging phase as a sustainable university. We are seeing considerable growth in domestic students that puts us into our best-case scenario for that cohort and while our international student revenue has been hard hit, we are finding ways to mitigate this.

In this context, we are looking ahead to how we meet our strategic priorities in a COVID-19 world in line with our aspiration to support the State to recover and thrive. Noting that the Northern Campus Transformation is on track to be delivered on time and budget, we see the current circumstances as suitable to also activating our Southern Campus Transformation in a staged way. The State funding guarantee and the current cost of debt will allow us to accelerate revitalisation of the Hobart CBD by starting with smaller, shovel ready activation projects and moving on to improving our existing buildings and then developing new facilities.

We have developed a draft urban design framework to guide our approach and will soon start to socialise elements of it with key stakeholders which we expect will result in some minor iterations. Work continues on plans for a more public conversation on this at the right juncture and I assure you that you and your colleagues will be consulted ahead of the University starting such a conversation.

In order to proceed with these plans to get infrastructure activity underway in the Hobart CBD, I am keen to explore the possibility of increasing the State government guarantee by a further \$200 million. If this additional debt was to be available in the first quarter of next year, we would be in a position to commence the relocation of our entire Sandy Bay campus into the





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Hobart CBD. Asset sales and operating surpluses would be used to fund the remainder of the move which should be completed by 2028. Commencing the relocation of the Sandy Bay campus into the Hobart CBD would enable us to lock in low interest rates for the key period required and ensure we have a steady stream of infrastructure projects underway in Hobart over the next few critical years as Tasmania emerges from the impacts of COVID-19. As previously agreed, we remain committed to the process of obtaining a credit rating to support our position.

I note the State Government plans to release the 2020 Ten Year Infrastructure Pipeline after the State Budget on 12 November 2020. Obviously, we are happy to have the Southern Campus Transformation included in that and are keen to be as optimistic as possible about the chance of securing funding to support the delivery of the campus in the next ten years.

I look forward to discussing this issue when next we meet.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Rufus Black'.

Professor Rufus Black  
**Vice-Chancellor**

6 October 2020

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Office of the  
Vice-Chancellor

The Hon Peter Gutwein MP  
Premier of Tasmania  
GPO Box 123  
Hobart TAS 7001

By email: [premier@dpac.tas.gov.au](mailto:premier@dpac.tas.gov.au)

Dear Premier

Thank you for your letter dated 29 October 2020 regarding the University's borrowing limit increase.

I very much appreciate the need to ensure that the economic and fiscal risks to the State of the University's strategy are understood and managed, particularly so in the current uncertain environment.

We will provide all the information you request to Treasury and Tascorp by the end of November and work with Tascorp to ensure they are well assured of the University's position before the end of 2020. As you would appreciate, to maximise the benefit to the State in the context of the COVID-19 recovery from both an institutional and broader economic perspective, we are keen to get work on our Southern Campus well underway as early in 2021 as possible. Accordingly, I have asked the University's Chief Operating Officer, David Clerk, and [REDACTED], to provide every assistance to key personnel at Treasury and Tascorp to ensure we are able to provide full assurance to the State to support our proposal.

Thank you again for your consideration of our proposal and I look forward to realising the exciting opportunities before us for Hobart and Tasmania as a whole.

Yours sincerely

Professor Rufus Black  
Vice-Chancellor

5 November 2020

Office of the  
Vice-Chancellor

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[utas.edu.au](http://utas.edu.au)

**Archived:** Thursday, 20 July 2023 1:47:54 PM

**From:** [REDACTED]

**Mail received time:** Wed, 16 Dec 2020 01:30:22

**Sent:** Wednesday, 16 December 2020 12:30:24 PM

**To:** [REDACTED]

**Cc:** [REDACTED]

**Subject:** RE: UTAS borrowing limit

**Importance:** Normal

**Sensitivity:** None

**Attachments:**

- Item 1 20201113 Financial Model for Tascorp Dec 2020.xlsm
- Item 2 High-Level City Transformation Budget 2020\_11 - In Model.xlsx
- Item 3 Inveresk Forecast Summary 2016-2021 at 30Sep20.pdf
- Item 4 West Park Forecast 2015-2024 at 30Sep20.pdf
- Item 5 Investment Portfolio Performance and Return.pdf
- Item 6 Other Expenditure Budget 2021.pptx
- Item 7 Breakdown of Expenses.xlsx
- Item 8 Copy of Payrun-Report-UTAS-2020-21.xlsm
- Item 9 UTAS Properties - Membership Rules - Final 25.5 (004).pdf

Hi [REDACTED]

We are working on having a decision on increasing the University’s borrowing limit at the Tascorp Board on Friday the 18th. To support Tascorp in making this decision we have sent through information as requested.

What we have provided is listed below

Item 1 – A financial model including budget and additional 4 years projections that were taken to University Council on 30 October. [REDACTED]

Item 2 – Is a more detailed explanation of the capital program included in the financial model [REDACTED]

Item 3 & Item 4 – a more detailed breakdown of the forecast of the Northern Transformation spend in the North and the North West, including the timing of completion and costs of key aspect of the projects in the North and North West.

Item 5 – A breakdown from the University Investment advisors [REDACTED]

Item 6 and Item 7– A breakdown of how savings related to expenses are achieved, what was shown to Council in relation to these savings, and an excerpt of the budget relating to these costs for 2021.

Item 8 – Tascorp wanted to see how we receive our Federal Government funding, and what are the main elements. Attached is a pay run report that sets out these numbers and what is received by the University every fortnight

Item 9 – UTAS properties membership rules – Tascorp were interested in the construct of property Co, noting that it is a wholly owned subsidiary of UTAS and maintains the same charity status.

I’ll go through my correspondence with Tascorp and flick anything else through that is relevant, please give me a call if you need more detail, or have any questions about any of this, it might be easier to schedule in a short meeting at some point, so I can walk you through this work, including the model.

[REDACTED]

In parallel, we have received, signed and returned a Moody’s rating agreement, once we have a completed version, signed by both parties, we will forward that on to yourselves, as requested in the Treasurers letter to the VC.

Thanks

[REDACTED]

---

**From:** [REDACTED]

**Sent:** Tuesday, 15 December 2020 3:31 PM

**To:** [REDACTED]

**Cc:** [REDACTED]

**Subject:** RE: UTAS borrowing limit

Hi [REDACTED],

Thanks for that, it would be much appreciated if we can get a copy of the information supplied to Tascorp.

I don't think we had clarity on the exact timeframes last time we met, do you have anything solid you are working towards at the moment?

Thanks,

[REDACTED]



[REDACTED]  
Shareholder Policy and Markets Branch | Department of Treasury and Finance

[REDACTED]  
[www.treasury.tas.gov.au](http://www.treasury.tas.gov.au)  
21 Murray Street, Hobart, TAS 7000 | GPO Box 147, Hobart TAS 7001

---

**From:** [REDACTED]

**Sent:** Tuesday, 15 December 2020 3:08 PM

**To:** [REDACTED]

**Cc:** [REDACTED]

**Subject:** RE: UTAS borrowing limit

Hi [REDACTED]

I hope you guys have survived the last few weeks of GBE's unscathed.

Since our last conversation, we have been working with Tascorp relating to a review of the University's borrowing limit.

If its OK with you, I will forward the information that we have supplied to Tascorp to yourselves, so you can undertake your process.

I will include summary information as relevant when I send the information across, but if you have any questions, or if you required additional information please don't hesitate to contact me.

Thanks

University of Tasmania  
Private Bag 53 Hobart TAS 7001



CRICOS 00586B

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**From:** [REDACTED]  
**Sent:** Tuesday, 15 December 2020 9:12 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED]  
**Subject:** UTAS borrowing limit

Hi [REDACTED]

Just checking in regarding our conversation a month or so ago.

[REDACTED] and I have not seen anything come through and so wanted to check when you are planning to submit information to Treasury for review?

[REDACTED]



[REDACTED] | Department of Treasury and Finance

[REDACTED]  
[www.treasury.tas.gov.au](http://www.treasury.tas.gov.au)  
21 Murray Street, Hobart, TAS 7000 | GPO Box 147, Hobart TAS 7001  
Work pattern: Full time flexible



University of Tasmania Electronic Communications Policy (December, 2014).

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	Act 2015	Act 2016	Act 2017	Act 2018	Act 2019	Fcst 2020	Fcst 2021	Fcst 2022	Fcst 2023	Fcst 2024	Forecast Total
<b>Total UTAS Transformation Funding</b>	<b>\$ 1,533,443</b>	<b>\$ 4,844,708</b>	<b>\$ 3,070,113</b>	<b>\$ 5,141,911</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,590,175</b>
<b>Inveresk</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	
Bridge over River				\$ -	\$ 147,759	\$ 4,304,664	\$ 546,577	\$ -	\$ -	\$ -	\$ 4,999,000
Bridge Over Road							\$ 500,000	\$ 1,793,000			\$ 2,293,000
Link Bridge to Podium								\$ 2,023,000	\$ -		\$ 2,023,000
landscaping/ parking						\$ -	\$ -	\$ -	\$ 2,139,000		\$ 2,139,000
Allowance for Student Accommodation UTAS								\$ 1,300,000	\$ -		\$ 1,300,000
Consultant Fees (Design)			\$ 582,625	\$ 1,499,238	\$ 2,007,255	\$ 6,091,706	\$ 5,199,039	\$ 4,400,000	\$ 895,000	\$ -	\$ 20,674,863
Statutory & Authority Fees			\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Cost + Variations				\$ -	\$ 598,307	\$ 5,761,580	\$ 41,966,637	\$ 59,047,106	\$ 62,234,853	\$ 3,365,600	\$ 172,974,083
Project Contingency			\$ -	\$ -		\$ -	\$ 2,000,000	\$ 2,400,000	\$ 17,400,000	\$ 1,120,873	\$ 22,920,873
Fit Out			\$ -	\$ -		\$ -	\$ 3,000,000	\$ 3,746,000	\$ 3,250,000	\$ 1,250,000	\$ 11,246,000
Newnham Costs			\$ -	\$ -	\$ 1,000	\$ 525,463	\$ 6,774,537	\$ 1,700,000	\$ 2,000,000	\$ 1,000,000	\$ 12,001,000
Inveresk Land Swap						\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Car Parking					\$ 150,000	\$ 1,300,000	\$ 5,000,000	\$ -	\$ -	\$ -	\$ 6,450,000
Project Management and Oversight			\$ 528,871	\$ 1,155,797	\$ 3,541,114	\$ 1,398,616	\$ 2,095,445	\$ 1,829,668	\$ 780,622	\$ 195,156	\$ 11,525,288
Other			\$ 54,546	\$ 77,765	\$ 100,000	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	\$ 292,312
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,166,042</b>	<b>\$ 2,732,801</b>	<b>\$ 11,296,651</b>	<b>\$ 21,532,029</b>	<b>\$ 67,102,236</b>	<b>\$ 78,258,773</b>	<b>\$ 88,719,475</b>	<b>\$ 6,931,629</b>	<b>\$ 277,817,402</b>
<b>Total Inveresk</b>	<b>\$ 1,533,443</b>	<b>\$ 4,844,708</b>	<b>\$ 4,236,155</b>	<b>\$ 7,874,712</b>	<b>\$ 11,296,651</b>	<b>\$ 21,532,029</b>	<b>\$ 67,102,236</b>	<b>\$ 78,258,773</b>	<b>\$ 88,719,475</b>	<b>\$ 6,931,629</b>	<b>\$ 292,407,576</b>

West Park - Annual Forecast/Actual	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
Consultant Fees (Design)		\$ 104,881	\$ 480,346	\$ 778,270	\$ 2,171,228	\$ 1,337,367	\$ 400,000				\$ 5,272,092
Statutory & Authority Approvals				\$ -		\$ 303,382	\$ 50,000				\$ 353,382
Construction Cost + Variations				\$ -	\$ 896,157	\$ 13,950,257	\$ 22,408,881				\$ 37,255,295
Railway Corridor, Penguin Landscaping, Car Park Extension						\$ -	\$ 1,430,000				\$ 1,430,000
Project Contingency			\$ -	\$ -		\$ -	\$ -				\$ -
Fit Out				\$ -		\$ -	\$ 2,626,976				\$ 2,626,976
OEM Fitout						\$ 101,620	\$ 8,380				\$ 110,000
OEM Equipment						\$ 408,678	\$ 116,322				\$ 525,000
Gym in Student Accommodation						\$ -	\$ -				\$ -
Makers Workshop Allowance						\$ -	\$ 100,000				\$ 100,000
West Park Land						\$ -	\$ -				\$ -
West Park decant						\$ 500,000	\$ 500,000				\$ 1,000,000
Band relocation					\$ 100,000	\$ 400,000	\$ 1,000,000				\$ 1,500,000
Project Management and Oversight		\$ 49,683	\$ 124,883	\$ 194,076	\$ 231,196	\$ 201,634	\$ 117,386				\$ 918,858
<b>Total</b>	<b>\$ -</b>	<b>\$ 154,564</b>	<b>\$ 605,229</b>	<b>\$ 972,346</b>	<b>\$ 3,398,581</b>	<b>\$ 17,202,938</b>	<b>\$ 28,757,945</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,091,603</b>

Released Under

# An Operating Expense Budget range of between \$141m - \$144m is proposed for 2021 (including strategic initiatives)

- The ongoing revenue uncertainty driven by COVID-19 resulted in the adoption of a revised institutional approach to the collation of the 2021 Budget.
- Due to that uncertainty, a Revenue Budget and therefore a University EBITDA and Core Operating Result will be submitted for approval at the April 2021 Council meeting.
- The motion before Council in December is to approve the 2021 budget within a narrow range of outcomes. Should the ultimate revenue projection vary from the range, we will review expenditure budgets and re-submit for re-approval in April 2021.

## Non-salary savings initiatives:

- For 2020, the University is on track to achieve the \$30m operating expense savings target established for this year.
- These savings have been achieved, in part, though opportunities presented by COVID 19 such as reduced activity on campus, mothballing of buildings, consulting, entertainment and travel savings.
- The target was set to achieve similar reductions of \$25 - \$30m from the prior 2021 plan, but in a sustainable way.
- Savings of \$26.1m have been identified prior to incorporating the estimated investment required in the evolving Return to Campus plan (\$3.2m).

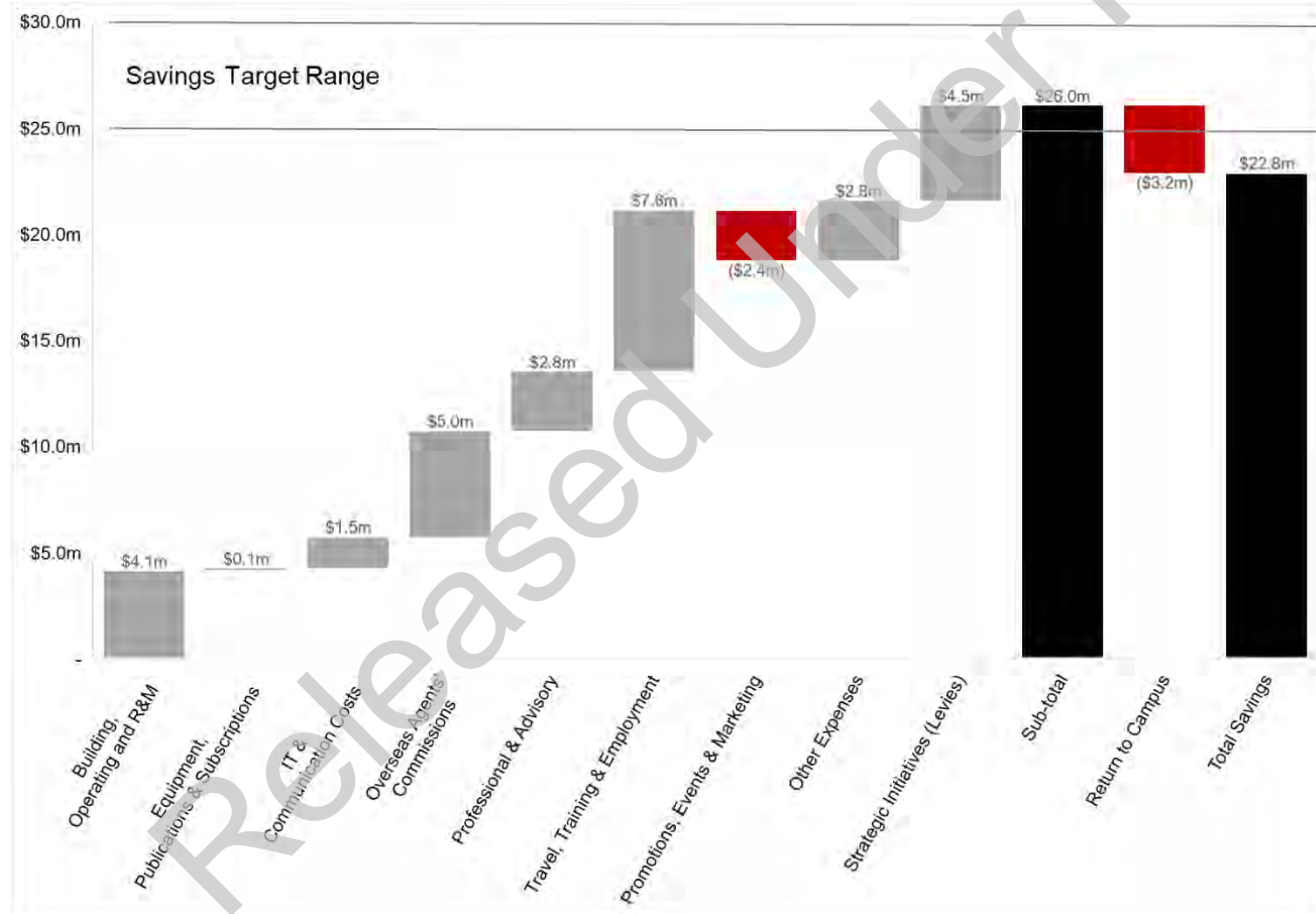
Table 1 – Operating Expenses

\$m	2016	2017	2018	2019	2020 F	Proposed 2021 B	2021 Plan	Savings from Prior Plan
Other Expenses	113.0	126.6	138.0	138.8	116.6	126.8	145.0	18.2
Strategic Investments	14.5	15.2	15.7	16.2	16.2	15.2	19.7	4.5
Operating Expenses	127.5	141.8	153.7	155.0	132.8	142.0	164.7	22.7
% Movement		11.2%	8.4%	0.8%	-14.3%	6.9%		-13.8%



# In 2021 Operating Expenditure savings of \$22.8m compared to the prior 2021 plan are targeted

Chart 1 – 2021 Operating Expense Savings



	2019	2020	2021
Salaries - Continuing	275230	287901	281990
Salaries - Casual	31257	27313	25350
	306487	315214	307340
MAA - Building - Operating	21,784	20,469	22,102
MAB - Professional & Advis	16,161	12,230	11,768
MAC - Equipment & Referenc	9,146	8,642	9,697
MAD - IT & Communication C	20,675	20,673	24,800
MAE - Repairs & Maintenanc	12,461	8,752	9,451
MAF - Promotions, Events &	8,438	6,587	11,612
MAG - Scholarships	4,298	4,501	6,503
MAH - Travel & Related Cos	8,921	1,842	2,985
MAI - Training & Employee	5,315	2,045	3,004
MAJ - Agents Commissions	10,480	9,416	6,386
MAK - Collaborative Res Pa	0	20	0
MAO - Other	21,128	20,400	18,455
	<b>138,809</b>	<b>115,577</b>	<b>126,764</b>
<b>Total Expenses</b>	<b>445,296</b>	<b>430,791</b>	<b>434,104</b>

	2020 YTD (to end of Nov)
MAA - Building - Operating	19,149,198
MAB - Professional & Advis	10,294,834
MAC - Equipment & Referenc	7,628,221
MAD - IT & Communication C	18,675,654
MAE - Repairs & Maintenanc	7,267,683
MAF - Promotions, Events &	4,049,126
MAG - Scholarships	3,872,548
MAH - Travel & Related Cos	1,455,403
MAI - Training & Employee	1,402,553
MAJ - Agents Commissions	9,215,161
MAK - Collaborative Res Pa	40,000
MAO - Other	17,467,279
	<b>100,517,660</b>

Attachment 1 for Pay Run: 20/2020  
 Institution Payment Summary - 2020  
 Institution: University of Tasmania  
 Date for Current Payment: 22-Oct-2020  
 Date for Next Payment: 05-Nov-2020

	A	B	C	D	E	F	G	H	I
Program Name	Previously Determined Amount in Current Year	Current Year Variations	Total Determined Amount [A+B]	Cumulative Payment Proportion %	Total Payment YTD (inc current payment) [CxD]	Total Previous Payments (excl. current payment)	Current Payment [E-F]	Next Payment Proportion %	Estimated Next Payment [CxH]

### Higher Education Support Act 2003

#### Assistance to Students

Higher Education Loan Program (HELP) Liability	120,852,005.00	0.00	120,852,005.00	84.00	101,515,684.00	96,681,604.00	4,834,080.00	4.00	4,834,080.00
FEE-HELP Advance	4,397,548.00	0.00	4,397,548.00	84.00	3,693,940.00	3,518,038.00	175,902.00	4.00	175,902.00
OS-HELP Advance	1,428,648.00	0.00	1,428,648.00	100.00	1,428,648.00	1,428,648.00	0.00	0.00	0.00
SA-HELP Advance	1,472,710.00	0.00	1,472,710.00	84.00	1,237,076.00	1,178,168.00	58,908.00	4.00	58,909.00
HECS-HELP Advances Up-front Payment Receipts	-43,506,722.00	0.00	-43,506,722.00	84.00	-36,545,646.00	-34,805,378.00	-1,740,268.00	4.00	-1,740,269.00
Sub-Total	84,644,189.00	0.00	84,644,189.00		71,329,702.00	68,001,080.00	3,328,622.00		3,328,622.00

#### Previous Year Payments

2005 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2008 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2009 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2010 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2011 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2012 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2013 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2014 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2015 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2016 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2017 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2018 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2019 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
Sub-Total	0.00	0.00	0.00		0.00	0.00	0.00		0.00

#### Grants for Higher Education Assistance

Regional Loading	10,168,793.00	0.00	10,168,793.00	84.00	8,541,786.00	8,135,034.00	406,752.00	4.00	406,752.00
Enabling Loading	0.00	1,628,160.00	1,628,160.00	84.00	1,367,654.00	0.00	1,367,654.00	4.00	65,127.00
Medical Student Loading	708,327.00	0.00	708,327.00	84.00	594,995.00	566,662.00	28,333.00	4.00	28,333.00
Allocated Places Advance	55,638,843.00	0.00	55,638,843.00	84.00	46,736,628.00	44,511,074.00	2,225,554.00	4.00	2,225,554.00
Non Designated Courses Advance	155,082,979.00	0.00	155,082,979.00	84.00	130,269,702.00	124,066,383.00	6,203,319.00	4.00	6,203,320.00
Sub-Total	221,598,942.00	1,628,160.00	223,227,102.00		187,510,765.00	177,279,153.00	10,231,612.00		8,929,086.00

#### Other Grants

Australian Disability Clearinghouse on Education & Training	152,000.00	0.00	152,000.00	100.00	152,000.00	152,000.00	0.00	0.00	0.00
Jobs & Growth in Tasmania Education-Driven Economic Revitalisation of L	10,000,000.00	0.00	10,000,000.00	100.00	10,000,000.00	10,000,000.00	0.00	0.00	0.00
National Institutes Funding	7,964,000.00	0.00	7,964,000.00	84.00	6,689,760.00	6,371,200.00	318,560.00	4.00	318,560.00
Superannuation Programme - Scheduled Payments	587,438.00	0.00	587,438.00	84.00	493,448.00	469,950.00	23,498.00	4.00	23,497.00

Research Support Program	21,957,533.00	0.00	21,957,533.00	84.00	18,444,328.00	17,566,026.00	878,302.00	4.00	878,301.00
Access and Participation Fund	6,364,479.00	0.00	6,364,479.00	84.00	5,346,162.00	5,091,583.00	254,579.00	4.00	254,580.00
Sub-Total	47,025,450.00	0.00	47,025,450.00		41,125,698.00	39,650,759.00	1,474,939.00		1,474,938.00

Commonwealth Scholarships

Research Training Program	25,009,391.00	0.00	25,009,391.00	84.00	21,007,888.00	20,007,513.00	1,000,375.00	4.00	1,000,376.00
Sub-Total	25,009,391.00	0.00	25,009,391.00		21,007,888.00	20,007,513.00	1,000,375.00		1,000,376.00

Total(excl GST)					320,974,053.00	304,938,505.00	16,035,548.00		14,733,022.00
Total(GST)					0.00	0.00	0.00		0.00
Total(inc GST)					320,974,053.00	304,938,505.00	16,035,548.00		14,733,022.00

Grand Total(excl GST)					320,974,053.00	304,938,505.00	16,035,548.00		14,733,022.00
Grand Total(GST)					0.00	0.00	0.00		0.00
Grand Total(inc GST)					320,974,053.00	304,938,505.00	16,035,548.00		14,733,022.00

Released Under the Access to Information Act

Attachment 1 for Pay Run: 21/2020  
 Institution Payment Summary - 2020  
 Institution: University of Tasmania  
 Date for Current Payment: 05-Nov-2020  
 Date for Next Payment: 19-Nov-2020

	A	B	C	D	E	F	G	H	I
Program Name	Previously Determined Amount in Current Year	Current Year Variations	Total Determined Amount [A+B]	Cumulative Payment Proportion %	Total Payment YTD (inc current payment) [CxD]	Total Previous Payments (excl. current payment)	Current Payment [E-F]	Next Payment Proportion %	Estimated Next Payment [CxH]

### Higher Education Support Act 2003

#### Assistance to Students

Higher Education Loan Program (HELP) Liability	120,852,005.00	0.00	120,852,005.00	88.00	106,349,764.00	101,515,684.00	4,834,080.00	4.00	4,834,081.00
FEE-HELP Advance	4,397,548.00	0.00	4,397,548.00	88.00	3,869,842.00	3,693,940.00	175,902.00	4.00	175,902.00
OS-HELP Advance	1,428,648.00	0.00	1,428,648.00	100.00	1,428,648.00	1,428,648.00	0.00	0.00	0.00
SA-HELP Advance	1,472,710.00	0.00	1,472,710.00	88.00	1,295,985.00	1,237,076.00	58,909.00	4.00	58,908.00
HECS-HELP Advances Up-front Payment Receipts	-43,506,722.00	0.00	-43,506,722.00	88.00	-38,285,915.00	-36,545,646.00	-1,740,269.00	4.00	-1,740,269.00
Sub-Total	84,644,189.00	0.00	84,644,189.00		74,658,324.00	71,329,702.00	3,328,622.00		3,328,622.00

#### Previous Year Payments

2005 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2008 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2009 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2010 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2011 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2012 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2013 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2014 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2015 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2016 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2017 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2018 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
2019 - Higher Education Loan Program (HELP) Liability	0.00	0.00	0.00	100.00	0.00	0.00	0.00	0.00	0.00
Sub-Total	0.00	0.00	0.00		0.00	0.00	0.00		0.00

#### Grants for Higher Education Assistance

Regional Loading	10,168,793.00	0.00	10,168,793.00	88.00	8,948,538.00	8,541,786.00	406,752.00	4.00	406,752.00
Enabling Loading	1,628,160.00	0.00	1,628,160.00	88.00	1,432,781.00	1,367,654.00	65,127.00	4.00	65,126.00
Medical Student Loading	708,327.00	0.00	708,327.00	88.00	623,328.00	594,995.00	28,333.00	4.00	28,333.00
Allocated Places Advance	55,638,843.00	0.00	55,638,843.00	88.00	48,962,182.00	46,736,628.00	2,225,554.00	4.00	2,225,554.00
Non Designated Courses Advance	155,082,979.00	0.00	155,082,979.00	88.00	136,473,022.00	130,269,702.00	6,203,320.00	4.00	6,203,319.00
Sub-Total	223,227,102.00	0.00	223,227,102.00		196,439,851.00	187,510,765.00	8,929,086.00		8,929,084.00

#### Other Grants

Australian Disability Clearinghouse on Education & Training	152,000.00	0.00	152,000.00	100.00	152,000.00	152,000.00	0.00	0.00	0.00
Jobs & Growth in Tasmania Education-Driven Economic Revitalisation of L	10,000,000.00	0.00	10,000,000.00	100.00	10,000,000.00	10,000,000.00	0.00	0.00	0.00
National Institutes Funding	7,964,000.00	0.00	7,964,000.00	88.00	7,008,320.00	6,689,760.00	318,560.00	4.00	318,560.00
Superannuation Programme - Scheduled Payments	587,438.00	0.00	587,438.00	88.00	516,945.00	493,448.00	23,497.00	4.00	23,498.00

Research Support Program	21,957,533.00	0.00	21,957,533.00	88.00	19,322,629.00	18,444,328.00	878,301.00	4.00	878,301.00
Access and Participation Fund	6,364,479.00	0.00	6,364,479.00	88.00	5,600,742.00	5,346,162.00	254,580.00	4.00	254,579.00
Sub-Total	47,025,450.00	0.00	47,025,450.00		42,600,636.00	41,125,698.00	1,474,938.00		1,474,938.00

Commonwealth Scholarships

Research Training Program	25,009,391.00	0.00	25,009,391.00	88.00	22,008,264.00	21,007,888.00	1,000,376.00	4.00	1,000,376.00
Sub-Total	25,009,391.00	0.00	25,009,391.00		22,008,264.00	21,007,888.00	1,000,376.00		1,000,376.00

Total(excl GST)					335,707,075.00	320,974,053.00	14,733,022.00		14,733,020.00
Total(GST)					0.00	0.00	0.00		0.00
Total(inc GST)					335,707,075.00	320,974,053.00	14,733,022.00		14,733,020.00

Grand Total(excl GST)					335,707,075.00	320,974,053.00	14,733,022.00		14,733,020.00
Grand Total(GST)					0.00	0.00	0.00		0.00
Grand Total(inc GST)					335,707,075.00	320,974,053.00	14,733,022.00		14,733,020.00

Released Under the Access to Information Act

Released Under RTI

ignore this one, as it's the funding for the Northern Transformation Project,

# Membership Rules

Relating to UTAS Properties Pty Ltd

UTAS Properties Pty Ltd (**Company**)

and

University of Tasmania (**University**)

Released Under RTI



# Membership Rules

## Relating to UTAS Properties Pty Ltd

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# Details

## Date

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## Parties

Name	UTAS Properties Pty Ltd ACN 636 735 834
Short form name	<b>Company</b>
Notice details	University of Tasmania Churchill Avenue Hobart TAS 7005 Attention: Rufus Black

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Name	<b>University of Tasmania</b>
ABN	30 764 374 782
Short form name	<b>University</b>
Notice details	University of Tasmania Churchill Avenue Hobart TAS 7005 Attention: Rufus Black

---

## Background

- A The Company was registered on 10 October 2019 and is a wholly owned company of the University.
- B This agreement has been entered into pursuant to the Company's constitution.
- C The Company and the University have agreed that:
- (i) the composition of the Board; and
  - (ii) the process for approving Reserved Matters,
- will be as set out in the terms of this agreement.

# Agreed terms

## 1. Defined terms & interpretation

### 1.1 Defined terms

In this agreement:

**Accounting Standards** means:

- (a) accounting standards approved under the Corporations Act and its requirements about the preparation and contents of accounts; and
- (b) generally accepted accounting principles, policies, practices and procedures in Australia.

**Authorised Delegates** means:

- (a) the Vice-Chancellor and President of the University Council; or
- (b) the Chief Operating Officer of the University.

who have each been authorised to act on behalf of the University in relation to this agreement.

**Board** means the board of directors of the Company as constituted from time to time.

**Board Approval** means:

- (a) a resolution passed by all Directors present at the relevant meeting of Directors entitled to vote on the resolution; or
- (b) a written circular resolution signed by all Directors entitled to vote on the resolution.

**Board Meeting** means a meeting of the Board (or any committee of the Board) convened and held in accordance with this agreement and the Company's constitution.

**Business** means the business described in the Initial Business Plan and any other activity carried on by the Company.

**Business Day** means a day that is not a Saturday, Sunday, bank holiday or public holiday in Tasmania, Australia.

**Business Plan** means the 3 year program current from time to time for carrying on the Business during the current Financial Year and the next 2 Financial Years and otherwise in a form approved by the Board.

**CEO** means the chief executive officer of the Company from time to time.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company from time to time.

**Financial Year** means the 12 months from 1 July to 30 June, or other dates agreed by the Board.

**Initial Business Plan** means the Business Plan adopted on the date of this agreement.

**Property Assets** means any real estate or other assets transferred to the Company by:

- (a) the University; or
- (b) an unrelated transferor.

**Reserved Matters** means the matters listed in Schedule 2 as amended from time to time in accordance with clause 6.2.

**Share Capital** means all of the Shares on issue.

**Shares** means shares in the capital of the Company.

**Transaction Document** means each of:

- (a) this agreement;
- (b) the Company's constitution;
- (c) any other agreements between the University and the Company; and
- (d) any other document that the parties agree is a transaction document.

**University** means University of Tasmania ABN 30 764 374 782, the sole member of the Company.

**University Act** means the *University of Tasmania Act 1992* (Tas).

**University Approval** means:

- (a) the written authority of one or more of the Authorised Delegates; or
- (b) a resolution passed by the University Council.

**University Council** means the governing body of the University as constituted from time to time and established by the *University of Tasmania Act 1992* (TAS).

## 1.2 Interpretation

In this agreement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, AUD, dollar** or **\$** is to Australian currency and a reference to any recognised international currency symbol is to the currency represented by that symbol;
- (f) a reference to time is to Tasmania, Australia time;
- (g) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (l) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it.

## 1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

## 2. Company's purpose and powers

### 2.1 Company's purpose

The Company has been established pursuant to section 6(g) of the University Act and is a not-for-profit, non-political entity established and located in Australia for the sole purpose of furthering the functions of the University as set out in the University Act.

### 2.2 Company's powers

In furtherance of the Company's purpose set out in clause 2.1, the Company may, without limitation, exercise the following powers:

- (a) return funds generated by the Company to the University;

- (b) guide and manage the future use and value of the Property Assets, including through the development of commercial and residential precincts in Tasmania in a manner that promotes and is consistent with:
  - (i) the University's financial sustainability; and
  - (ii) the social, cultural, environmental and economic welfare of the community;
- (c) devise a commercial strategy in conjunction with the University to oversee the management of the Property Assets and any tenants and facilities, including through the sale of the Property Assets, the development and implementation of master plans, subdivisions and land use designations and the integration of development partners; and
- (d) do all things incidental or convenient in relation to the advancement of the purpose contained or referred to in clause 2.1.

### 3. Authority of the Company

The Company:

- (a) may not hold itself out as a partner of, or principal or agent or trustee of the University; and
- (b) except where this agreement expressly states otherwise, does not have authority to act for, or to create or assume any responsibility or obligation on behalf of the University.

### 4. Party obligations

Each party must:

- (a) comply with this agreement; and
- (b) exercise its powers, voting rights and other rights (as far as it can by exercising those rights) to give full effect to this agreement (including the objectives in clause 2) and the rights and obligations of the parties under this agreement.

### 5. Board composition and proceedings

#### 5.1 Board composition and proceedings

The University must exercise its rights as a member of the Company to ensure the Board is composed in accordance with Schedule 1.

#### 5.2 Amendments to Board composition and proceedings

The matters listed in Schedule 1 may be amended from time to time with:

- (a) Board Approval; and
- (b) University Approval.

### 6. Reserved Matters

#### 6.1 Approvals required for Reserved Matters

The Company may only undertake, or commit to undertake, any one or more of the Reserved Matters listed in Schedule 2 with:

- (a) Board Approval; and
- (b) University Approval.

#### 6.2 Amendments to Reserved Matters

The list of Reserved Matters in Schedule 2 may be amended from time to time with:

- (a) Board Approval; and
- (b) University Approval.

### **6.3 Other consents required**

Clauses 6.1 and 6.2 are without prejudice to any other consent or approval required under the Corporations Act or the Company's constitution for any matter requiring a Board Approval.

## **7. Termination**

### **7.1 Termination for all parties**

Subject to clause 7.2, this agreement terminates automatically if:

- (a) all the parties agree in writing;
- (b) the Company is wound up by court order; or
- (c) an agreement to sell the Share Capital is completed.

### **7.2 Accrued rights**

Termination of this agreement is without prejudice to any accrued rights of the parties.

## **8. Paramountcy**

This agreement prevails over any inconsistent clause in the Company's constitution and the Company's constitution must, if requested by the University, be amended to remove any inconsistency as soon as it become aware of it.

## **9. Obligations under the University Act**

This agreement does not alter the obligations of the University to comply with any obligations imposed under the University Act, including but not limited to obligations to obtain the written approval of the treasurer before exercising its power to borrow money.

## **10. Miscellaneous**

### **10.1 Alterations**

This agreement may only be altered in accordance with a University Approval and in writing signed by each party.

### **10.2 Approvals and consents**

Except where this agreement expressly states otherwise, a party may, in its discretion, give conditionally or unconditionally or withhold any approval or consent under this agreement.

### **10.3 Assignment**

A party may only assign this agreement or a right under this agreement with the prior written consent of each other party.

### **10.4 Costs**

Each party must pay its own costs of negotiating, preparing and executing a Transaction Document and any instrument or document executed to give effect to a Transaction Document.

### **10.5 Survival**

Any indemnity or obligation of confidence under this agreement is independent and survives termination of this agreement. Any other term by its nature intended to survive termination of this agreement survives termination of this agreement.

### **10.6 Counterparts**

This agreement may be executed in counterparts. All executed counterparts constitute one document.

#### **10.7 No merger**

The rights and obligations of the parties under this agreement do not merge on completion of any transaction contemplated by this agreement.

#### **10.8 Entire agreement**

This agreement together with the Transaction Documents constitute the entire agreement between the parties in connection with their subject matter and supersede all previous agreements or understandings between the parties in connection with their subject matter.

#### **10.9 Further action**

Each Party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this agreement and any transactions contemplated by it.

#### **10.10 Severability**

Part or all of a provision of this agreement that is illegal or unenforceable may be severed from this agreement and the remaining parts of the provision or provisions of this agreement continue in force.

#### **10.11 Waiver**

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

#### **10.12 Relationship**

Unless expressly stated, this agreement does not create a relationship of employment, trust, agency or partnership between the parties.

#### **10.13 Governing law and jurisdiction**

This agreement is governed by the law of Tasmania and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Tasmania.

Released Under PFI

# Schedule 1 – Board (clause 5)

## 1. Board composition

- 1.1 The Board, when fully constituted, must consist of eight Directors, including:
  - (i) 4 Directors who hold current positions or immediate past positions as executives employed by the University or as a member of University Council or any of University Council's sub-committees (**University Directors**), one of whom will be elected by the Directors as chairperson; and
  - (ii) 4 Directors who do not hold current positions or immediate past positions as executives employed by the University (**Non-Executive Directors**).
- 1.2 The initial appointment of all Directors must receive prior University Approval.
- 1.3 The University may appoint up to four University Directors from time to time with University Approval.
- 1.4 The University may remove or replace any of the University Directors or Non-Executive Directors from time to time with University Approval.
- 1.5 The University must give the Company notice of the appointment or removal of a Director under paragraph 1.3 or 1.4. Any appointment or removal takes effect when the notice is given to the Company.
- 1.6 Other than the initial Directors appointed in accordance with paragraph 1.2, the subsequent appointment of all Non-Executive Directors will be determined by Board Approval.
- 1.7 A Non-Executive Director may appoint an alternate Director to act as a Director in his or her absence provided that the alternate Director is a person approved by Board Approval.
- 1.8 A University Director may appoint an alternate Director to act as a Director in his or her absence provided that the alternate Director is a person approved by University Approval.

## 2. Quorum

- 2.1 When fully constituted, the quorum for a Board Meeting is six Directors, including at least two University Directors.
- 2.2 If a quorum of Directors is not present within 30 minutes after the time appointed for the Board Meeting, the meeting is adjourned to the same time and place 2 Business Days later. At the reconvened meeting, a quorum is any 2 Directors.



## Schedule 2 – Reserved Matters (clause 6.1)

1. **(Scheme Matters)** Approval of any master planning in relation to the Company's objectives.
2. **(Changes to Board composition)** Any amendments to the matters listed in Schedule 1.
3. **(Land titles)** Any decision making in relation to the land titles of any Property Assets.
4. **(Property transaction risk)** Any material decisions with respect to the Company's risk appetite for transactions regarding the Property Assets.
5. **(Delegations policy)** Any formal delegations policy.
6. **(Board charters)** Adopt or amend any Board charters.
7. **(Borrowing)** Borrow or accept financial accommodation of any amount, except in accordance with the Business Plan.
8. **(Encumbrances)** Mortgage, charge, pledge or encumber an asset or undertaking, except in accordance with the Business Plan.
9. **(Guarantee)** Give or enter into a guarantee, letter of comfort or performance bond, except in accordance with the Business Plan.
10. **(Business Plan and budgets)** Adopt a Business Plan which will include a commercial strategy or plan, operating model or any other operating, capital or cash budget or business financial plan.
11. **(Accounting Standards and principles)** Materially alter the Accounting Standards or principles previously adopted by the Company for the preparation or presentation of individual or consolidated financial statements, except if required by law.
12. **(Balance date)** Change the balance date or accounting period of the Company.
13. **(Loans)** Make a loan or provide credit or other financial accommodation to a person, except in the ordinary course of business.
14. **(Dividends)** Set or change the dividend or distribution policy of the Company, or declare, make or pay a dividend or other distribution.

Signing page

**EXECUTED** as an agreement.

**Executed by UTAS Properties Pty Ltd ACN 636  
735 834**

\_\_\_\_\_

Signature of director

\_\_\_\_\_

Name of director (print)

\_\_\_\_\_

Signature of director/company secretary  
(Please delete as applicable)

\_\_\_\_\_

Name of director/company secretary (print)

**Signed for University of Tasmania ABN 30 764  
374 782** by an authorised officer in the presence  
of

\_\_\_\_\_

Signature of witness

\_\_\_\_\_

Name of witness (print)

\_\_\_\_\_

Signature of officer

\_\_\_\_\_

Name of officer (print)

\_\_\_\_\_

Office held

Released Under RTI

Archived: Wednesday, 19 July 2023 2:11:10 PM

From: [REDACTED]

Mail received time: Fri, 18 Dec 2020 04:13:01

Sent: Friday, 18 December 2020 3:13:02 PM

To: [REDACTED]

Cc: [REDACTED] [Calvert, Fiona](#) [REDACTED]

Subject: RE: UTAS borrowing limit

Importance: Normal

Sensitivity: None

Attachments:

[2019 UTAS Financial Statements Signed 20022020.pdf](#) [Council 4 December 2020 item4.3 Sthn Campus funding.pdf](#)

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Hi [REDACTED]

Reponses are below, hopefully this meets your requirements, give me a call to discuss if needed, I'm on leave next week, but I'll be happy to take call with a view to having all information to you as expeditiously as possible.

I have attached the paper seeking approval regarding the \$200m debt facility this was approved at the Council meeting without amendment.

I have also attached the 2019 annual accounts (Tascorp had received these earlier in the year as required under the MLFA) this sets out the details of "other debt like obligations" that include leases, and Guarantees that are outstanding, refer to Note 13 of the accounts for details. Throughout 2020 the value of these has not materially changed, with the exception that our credit card facility has been reduced to \$4m. We are working on refreshing these numbers as part of the year end process, in summary

- Lease Liabilities = \$16m
- A bank Guarantee relating to AMC Search of \$1m (which is matched with a Term deposit for the same amount)
- Remaining bank guarantees of \$414k, (this was reaffirmed with CBA in September)

At the moment, our borrowing limit is \$200m, which includes an overdraft facility with Tascorp of \$75m and two pieces of term debt, totalling \$125m, these both mature in March 2023 and are for a quantum, and at a rate as listed below;

- \$93.6m – 5.11%
- 33.4m – 1.66%

As at today, the overdraft remains undrawn, and is forecast to remain undrawn at the end of the year. Leaving our total borrowings at \$125m

I hope this covers things off again, if you need more information, or have questions on the items you already have, please let me know

Thanks

[REDACTED]

[REDACTED]  
University of Tasmania  
Private Bag 53 Hobart TAS 7001  
[REDACTED]

---

**From:** [REDACTED]  
**Sent:** Friday, 18 December 2020 10:41 AM  
**To:** [REDACTED]  
**Cc:** [REDACTED]; Calvert, Fiona <[Fiona.Calvert@treasury.tas.gov.au](mailto:Fiona.Calvert@treasury.tas.gov.au)>; [REDACTED]  
**Subject:** RE: UTAS borrowing limit

Hi [REDACTED]

The documents that we believe that remain outstanding include the following:

- a full business case that has been approved by the Council; and
- full details of existing borrowings and other debt like obligations.

If you could please provide those that would be great.

I believe that the other data requested is included in what you have provided so far but we will come back to you if need.

Thanks  
[REDACTED]

---

**From:** Calvert, Fiona <[Fiona.Calvert@treasury.tas.gov.au](mailto:Fiona.Calvert@treasury.tas.gov.au)>  
**Sent:** Thursday, 17 December 2020 7:26 PM  
**To:** J [REDACTED]  
**Cc:** [REDACTED]; Ferrall, Tony <[Tony.Ferrall@treasury.tas.gov.au](mailto:Tony.Ferrall@treasury.tas.gov.au)>; David Clerk <[david.clerk@utas.edu.au](mailto:david.clerk@utas.edu.au)>  
**Subject:** RE: UTAS borrowing limit

I will arrange for [REDACTED] to provide details to you and [REDACTED] tomorrow on those documents that remain outstanding from the Treasurer's request.

Regards

Fiona

---

**From:** [REDACTED]  
**Sent:** Thursday, 17 December 2020 4:19 PM  
**To:** Calvert, Fiona <[Fiona.Calvert@treasury.tas.gov.au](mailto:Fiona.Calvert@treasury.tas.gov.au)>; [REDACTED]  
**Cc:** [REDACTED] Ferrall, Tony  
<[Tony.Ferrall@treasury.tas.gov.au](mailto:Tony.Ferrall@treasury.tas.gov.au)>; David Clerk <[david.clerk@utas.edu.au](mailto:david.clerk@utas.edu.au)>  
**Subject:** RE: UTAS borrowing limit

Dear [REDACTED]

I apologise for any misunderstanding and believe you now have all the information required to brief the Treasurer.

I have also attached confirmation of our engagement with Moody's (pending Moody's acceptance).

Please let me know if you wish to discuss this further or require any additional information.

I wish you an enjoyable Christmas break.

Kind regards,

[REDACTED]

[REDACTED]  
Financial Services  
University of Tasmania  
Corporate Services Building, Private Bag 53  
Hobart TAS 7001

[REDACTED]  
[www.utas.edu.au](http://www.utas.edu.au)



UNIVERSITY of  
TASMANIA

CRICOS 00586B

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**From:** Calvert, Fiona <[Fiona.Calvert@treasury.tas.gov.au](mailto:Fiona.Calvert@treasury.tas.gov.au)>

Sent: Thursday, 17 December 2020 1:09 PM

To: [REDACTED]

Cc: [REDACTED] Ferrall, Tony

<[Tony.Ferrall@treasury.tas.gov.au](mailto:Tony.Ferrall@treasury.tas.gov.au)>; [REDACTED] David Clerk <[david.clerk@utas.edu.au](mailto:david.clerk@utas.edu.au)>

Subject: RE: UTAS borrowing limit

[REDACTED]

Thank you for providing the attached information to [REDACTED]. As noted on a number of occasions, the process for the approval under Section 7(2) of the *University of Tasmania Act 1992* is a separate process to that to be undertaken by Tascorp. Ideally this process should have been undertaken in advance of the Tascorp assessment. It is therefore disappointing that we have only just been provided with some information to enable Treasury to provide advice to the Treasurer, significantly later than it was provided to Tascorp.

As noted in the letter from the Premier to the Vice-Chancellor on 28 October 2020 (and in previous correspondence from the Premier and Treasurer over the past 14 months), the following information is required to enable the assessment to be made:

- a business case in support of the borrowing limit;
- financial performance for the 2020 financial year to date;
- 2021 operating budget;
- updated long term financial forecasts reflecting revised funding strategy;
- sensitivity/scenario analysis covering key risks; and
- full details of existing borrowings and other debt like obligations.

We also look forward to receiving a copy of the Moody's rating agreement once it is finalised.

Once we have received this information, we will be in a position to prepare advice to the Treasurer.

Regards

Fiona



**Fiona Calvert | Deputy Secretary**  
Economic and Financial Policy Division | Department of Treasury and Finance  
p (03) 6166 4455 | m 0407 396 622  
e [fiona.calvert@treasury.tas.gov.au](mailto:fiona.calvert@treasury.tas.gov.au)  
w [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au)  
21 Murray Street, Hobart, TAS 7000 | GPO Box 147, Hobart TAS 7001

---

From: [REDACTED]

Sent: Wednesday, 16 December 2020 12:21 PM

To: [REDACTED]

Cc: [REDACTED]

Subject: RE: UTAS borrowing limit

Hi [REDACTED]

We are working on having a decision on increasing the University's borrowing limit at the Tascorp Board on Friday the 18th. To support Tascorp in making this decision we have sent through information as requested.

What we have provided is listed below

Item 1 – A financial model [REDACTED]

Item 2 – Is a more detailed explanation of the capital program included in the financial model, [REDACTED]

Item 3 & Item 4 – a more detailed breakdown of the forecast of the Northern Transformation spend in the North and the North West, including the timing of completion and costs of key aspect of the projects in the North and North West.

Item 5 – A breakdown from the University Investment advisors [REDACTED]

Item 6 and Item 7 – A breakdown of how savings related to expenses are achieved, what was shown to Council in relation to these savings, and an excerpt of the budget relating to these costs for 2021.

Item 8 – Tascorp wanted to see how we receive our Federal Government funding, and what are the main elements. Attached is a pay run report that sets out these numbers and what is received by the University every fortnight

Item 9 – UTAS properties membership rules – Tascorp were interested in the construct of property Co, noting that it is a wholly owned subsidiary of UTAS and maintains the same charity status.

I'll go through my correspondence with Tascorp and flick anything else through that is relevant, please give me a call if you need more detail, or have any questions about any of this, it might be easier to schedule in a short meeting at some point, so I can walk you through this work, including the model.

Subsequent to the outcome of the Tascorp Board meeting, we would hope to have Treasury approval early next year but I would be interested in your thoughts on this timeframe. In parallel, we have received, signed and returned a Moody's rating agreement, once we have a completed version, signed by both parties, we will forward that on to yourselves, as requested in the Treasurers letter to the VC.

Thanks

[REDACTED]

University of Tasmania Electronic Communications Policy (December, 2014).

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#### 4 Matters for Decision

##### 4.3 \* Southern Campus Funding

**Responsibility: Chief Operating Officer**

MOTION(S):

- That Council:
  - approves a \$200m increase in term debt with Tascorp to deliver the Southern Campus Strategy
  - delegates authority to the Vice-Chancellor to execute the variation to the Master Loan Agreement with Tascorp
  - delegates authority to the Vice-Chancellor to approve the drawdown of new debt and the refinance of existing debt with a weighted average cost of debt and tenor as defined in attachment 1, to be updated and presented at the meeting.
  - approves the early termination and refinance of \$125m in existing term debt with Tascorp to secure low interest rate and long tenor: and
  - approves a change to *Treasury and Investment Policy* principle 2.1 to increase the University's consolidated debt to equity ratio from 25 per cent to 30 per cent.

The University has successfully responded to revenue losses due to COVID-19 by introducing a range of measures to achieve short-term savings and a long-term sustainable cost base. The balance sheet remains strong with the investment portfolio recovering from recent COVID impacted losses and our major capital projects in the North and North West and Hedberg in the South de-risked. In response to the COVID situation, the state government has also provided a guarantee for our existing debt of \$200m with Tascorp.

Following the update provided to the August 2020 Council meeting on the restart of the southern campus master, a funding solution is required to activate the southern campus strategy that maintains balance sheet strength over the long term. The design of the funding solution has been guided by the following principles:

- Structure – debt will be drawn to support the staged requirements of the southern campus plan.
- Refinance – early termination of \$125m in existing term debt with Tascorp (maturing 2023) to secure low interest rates and long tenor.
- Tenor – longer term debt of between 10 – 25 years to lower interest rate risk and appropriately constructed to enable repayment upon staged maturity.



- [REDACTED]

The proposed funding solution will see a total increase in debt facilities from \$200m (\$125m term debt and \$75m overdraft facility) to \$400m (\$325m and \$75m overdraft facility) enabling the southern campus strategy to commence in 2021 with shovel ready projects that activate vacant sites and existing buildings. It is anticipated that the total cost of new borrowings will be comparable to existing interest costs.

Approval from both Treasury and Tascorp is required to facilitate the drawdown of any new debt, and the approval process has been initiated to enable a decision before year-end.

Further detail is available in the **attached** paper.

Released Under RPA

## UNIVERSITY COUNCIL

**From** David Clerk, Chief Operating Officer

**Date** 4 December 2020

**Subject** **Southern Campus Funding**

### RECOMMENDATION

That Council approves the following to deliver the southern campus strategy:

- a \$200m increase in term debt with Tascorp
- Council delegate authority to the Vice-Chancellor to execute the variation to the Master Loan Agreement with Tascorp
- Council delegate authority to the Vice-Chancellor to approve the drawdown of new debt and the refinance of existing debt with a weighted average cost of debt and tenor as defined in attachment 1, to be updated and presented at the meeting.
- early termination and refinance of \$125m in existing term debt with Tascorp to secure low interest rate and long tenor
- a change to *Treasury and Investment Policy* principle 2.1 to increase the University's consolidated debt to equity ratio from 25 per cent to 30 per cent.

### BACKGROUND

In November 2019, following Treasury approval, the University increased its borrowing to \$200m, including an overdraft facility of \$75m. In-principle support was provided by Treasury for an additional \$100m to pursue its southern campus strategy in December 2019, pending the review of key financial information and engagement with a ratings agency to obtain a credit rating.

At this time Tascorp advised that there would be a full review of the University's borrowing capacity upon a request for further funding and upon maturity of the term debt of \$125m in March 2023.

In August 2020, the Treasurer advised the University its existing borrowings of \$200m with Tascorp would be guaranteed by the State via a letter of comfort provided to Tascorp. This was provided as part of a response to the financial impacts of COVID19, and is understood to have been provided to all Tascorp clients.

At the start of 2020, the overdraft had a balance of \$66m and following approval by Council in March 2020 to liquidate up to \$160m from the investment portfolio, \$50m was used to reduce the balance of the overdraft.

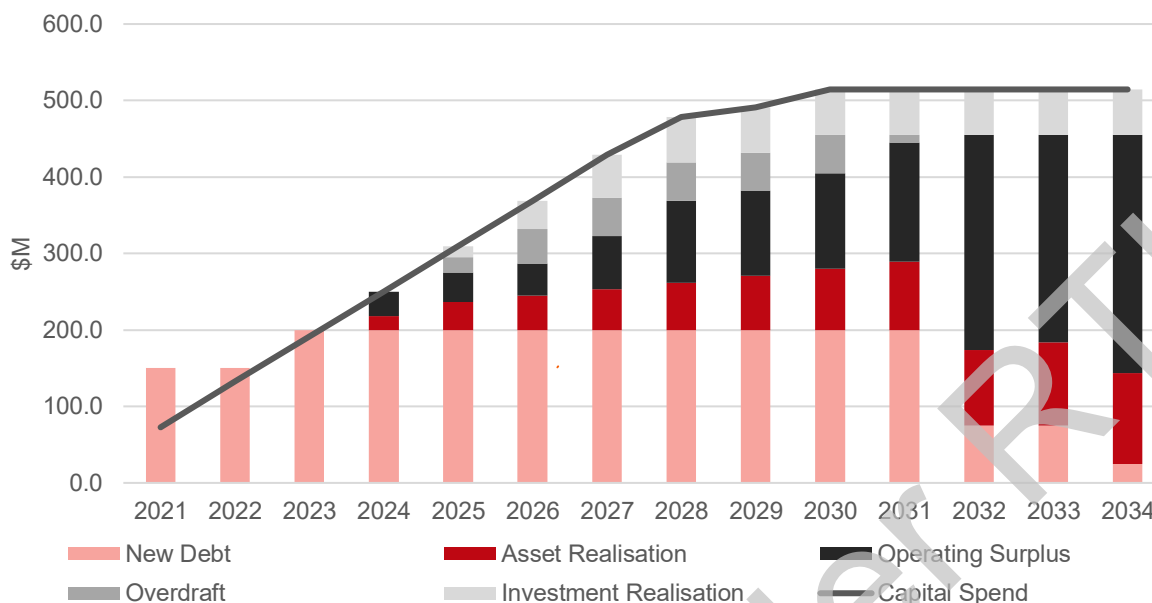
### PROPOSED FUNDING SOLUTION

Projected operating surpluses will enable the completion of northern capital projects in 2023. For the southern campus strategy to commence in 2021, additional sources of funding are required.

With interest rates at historic lows, taking on additional longer-term debt is the most cost-effective method to facilitate this. The funding solution design also includes value from UTAS Properties Pty Ltd, returns from the investment portfolio and projected operating surpluses post 2023.

Chart 1 below models the mix of funding required to deliver the southern strategy over a period of 10 years at an expected cost of circa ~\$500m. Existing debt of \$125m is excluded from this chart.

**Chart 1: Funding vs Building over time**



**Debt Profile, Serviceability and Refinancing**

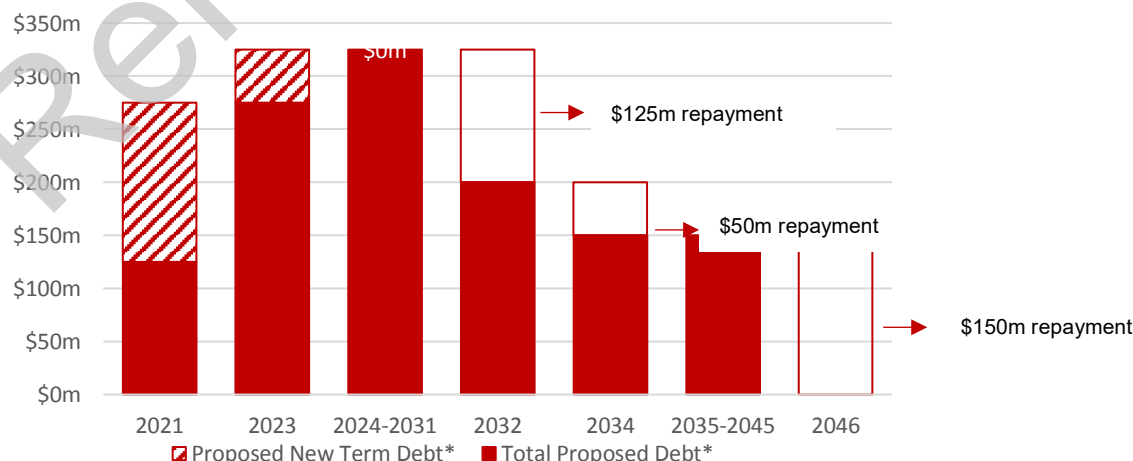
The \$200m in additional debt will be drawn in the most cost-effective way, to align with the southern campus capital program and to minimise interest costs. It is projected that the first tranche of debt will be drawn in 2021 (for expenditure in 2021-2022), with the remainder drawn in 2023. To reduce interest rate risk in relation to the 2023 debt, a forward start arrangement is proposed, if it proves cost effective to do so.

It is proposed existing debt of \$125m (maturing in 2023) be refinanced to increase the term of the loans and take advantage of the current low interest rate environment.

It is expected that this debt will be refinanced with a tenor of more than 10 years.

The staged draw down and timing of repayment of proposed debt facilities is represented in chart 2 below, with full repayment is expected by 2046.

**Chart 2: Term Debt**



\*excludes \$75m overdraft

## Debt Capacity

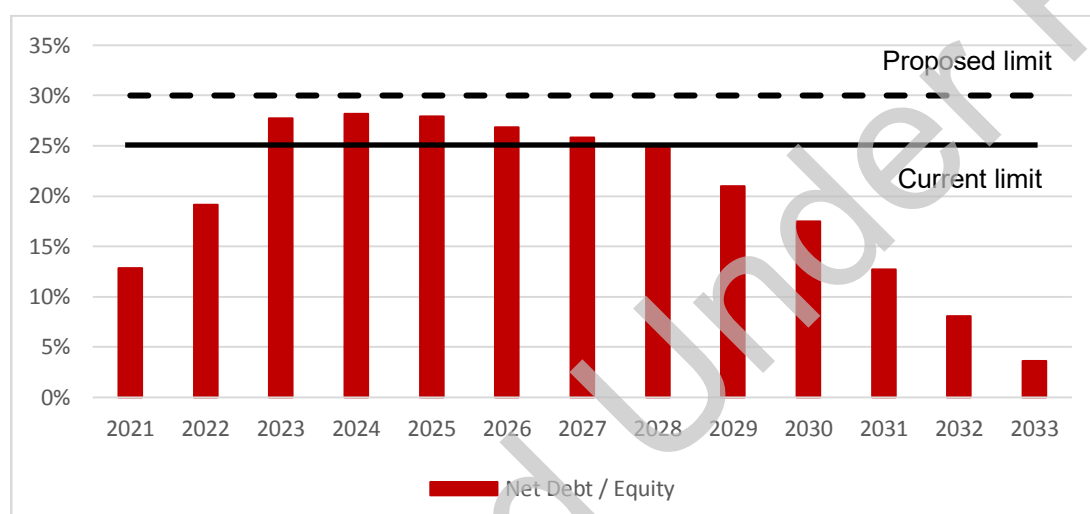
The University's *Treasury and Investment Policy* Debt/Equity ratio is 25%

Based on projections of the University's total equity, and the Moody's leverage criteria for Public University, a Debt/Equity ratio of up to 30% would maintain an investment grade credit rating.

The University's Debt/Equity ratio is projected to be under 10% for the end of 2020, where debt is calculated net of cash holdings. The additional \$200M of debt will push the debt/equity ratio to between 25% to 30%.

It is recommended that the Debt/Equity limit is increased to 30% and this increase, in conjunction with the unrestricted investment portfolio, remains within with the leverage criteria set by Moody's to be considered investment grade. At the completion of the southern project the ratio is projected to be less than 20%.

**Chart 3: Net Debt / Equity**



## NEXT STEPS

In accordance with the University of Tasmania Act 1992, increases to the University's borrowing limit is subject to approval from the Treasurer.

In response to Treasury's requirements for an increase in borrowing limits, restated from 2019, and to facilitate an initial drawdown of additional debt in early 2021, the approval process with Treasury and Tascorp has commenced. This involves a full review of the University's long-term financial forecasts, based on best and worst-case revenue and EBITDA scenarios presented to Council in October 2020. A recommendation will initially be taken to the Tascorp Board on 18 December 2020, and as in 2019, Tascorp has indicated this may need two board meetings to appropriately consider the University's request. A decision is anticipated from Treasury following Tascorp approval.

The University is in the process of re-entering an agreement to achieve a credit rating in early 2021 and in accordance with Treasury's requirements, will provide a copy of the engagement letter with the ratings agency once this agreement is finalised.

## ATTACHMENTS

- Attachment 1 – Updated refinancing, cost of debt and tenor assumptions
- Attachment 2 – Revised *Treasury and Investment Policy*

## RESPONSIBLE OFFICER

[REDACTED]

The refinance of existing debt and drawdown of new debt up to \$200m to be approved within the following parameters:

[REDACTED]

[REDACTED]

## 2. Weighted average tenor of debt

Between 15 and 17 years with a maximum tenor of 25 years for any term debt

[REDACTED]

[REDACTED]

Released

## Policy 6.8: Treasury and Investment Policy

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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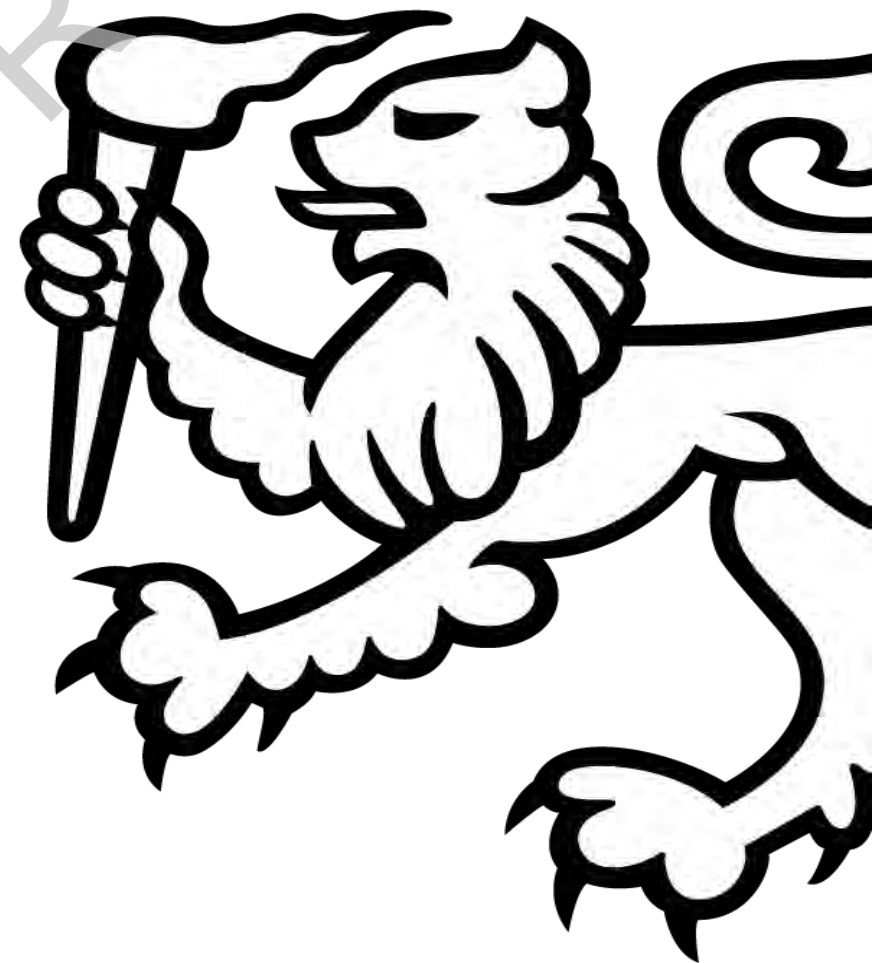
[REDACTED]

[REDACTED]

[REDACTED]



UNIVERSITY of  
TASMANIA



# Council Strategy Session

30 October 2020

Released Under RTI

# Agenda

Time	Topic	
8.45am – 10.30am	Strategic context	
10.30 – 10.45am	Morning tea	
10.45 – 1.00pm	<del>College and Division presentations</del>	<b><i>Not included</i></b>
1.00 – 1.45pm	Lunch	
1.45 – 2.30pm	<del>College and Division presentations (cont)</del>	<b><i>Not included</i></b>
2.30 – 3.00pm	<del>Mission Integrators (Antarctic and Sustainability)</del>	<b><i>Not included</i></b>
3.00 – 3.45pm	University Finance	
3.45 – 4.00pm	Wrap up	



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3.45 – 4.00pm	Wrap up

# We have refined our strategic plans to focus on creating impact and achieving sustainability

## We have made progress across key areas of impact and sustainability

- There is evidence that the University can improve outcomes for Tasmania, and we are making sure we can measure that impact.
- Some of our COVID responses have been critical to the State
- Our projects to create a more sustainable University have made a lot of progress this year

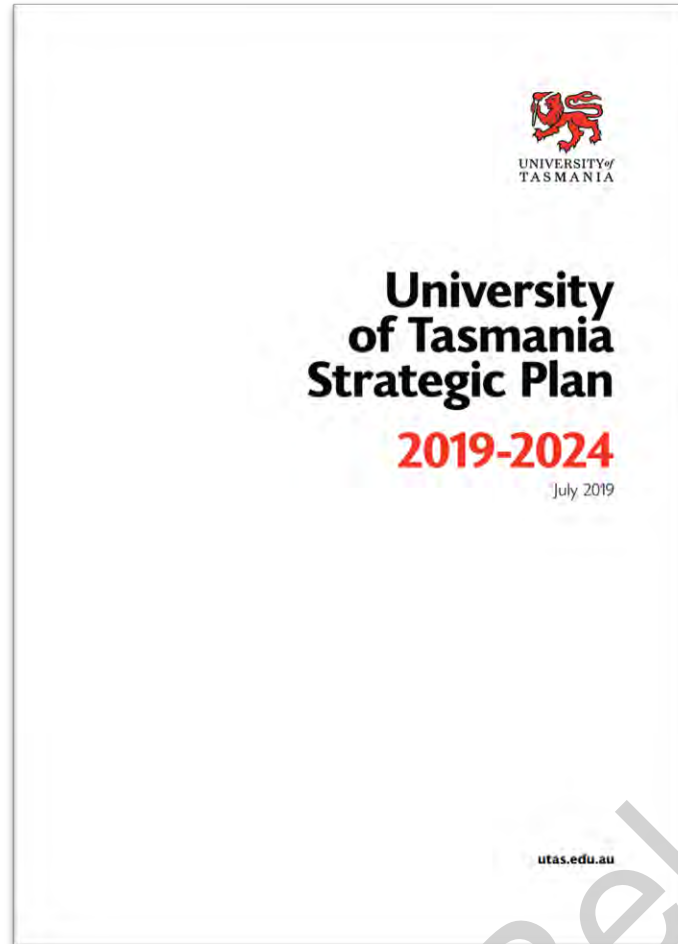
## The changing landscape of 2020 has crystallised three key challenges in delivering our impact and operating sustainably

- Tasmania still has significant challenges across the six outcome areas and COVID19 is entrenching disadvantage
- Some of our highest priorities are still not getting the traction and commitment needed to realise our mission
- The Job-Ready Graduates Package establishes a new funding model for universities

## We have refined our strategic plans to focus on delivering impact and achieving sustainability

- College plans now have a direct link to where they will make an impact for and from Tasmania
- We will adopt a whole-of university mission integration model for delivery
- We are focussing our strategies to enhance revenue and manage costs
- We are establishing plans to bring our students and staff back to campus in 2021

In 2019, we developed a 5-year strategic plan to deliver outcomes across six key areas both for Tasmania, and from Tasmania to the world



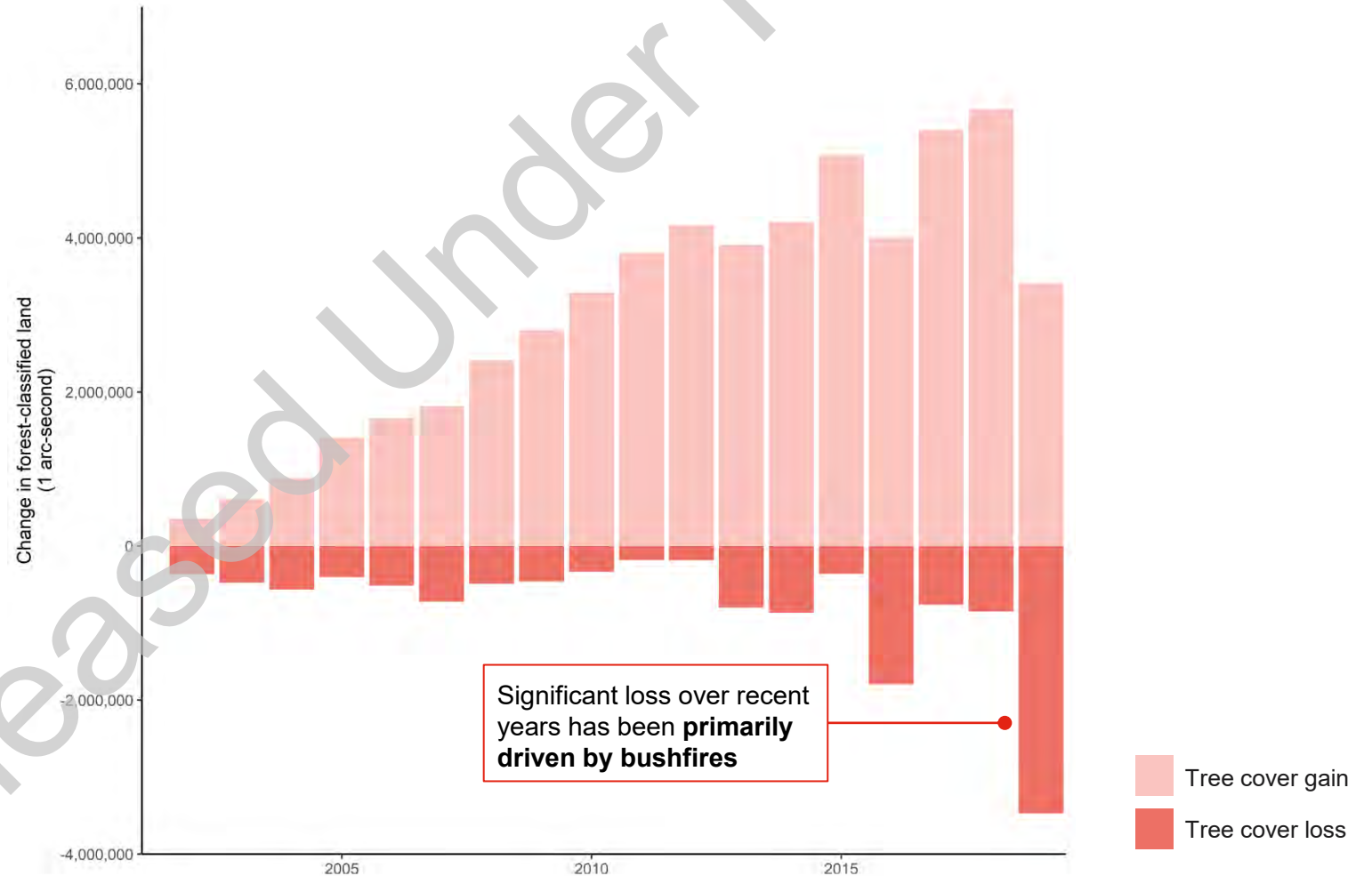
# There is evidence that our initiatives and research in forestry are creating impact to improve Tasmania's forested landscape



## Change in Tasmanian forest-classified lands (2000 – 2019)

We have made significant contributions to **forestry policy** over three decades:

- ARC Centre for Forest Value (Current)
- CRC for Forestry (2005-2011)
- CRC for Sustainability Production Forestry (1998-2004)
- And delivered **research and insights** in direct areas:
  - genetic improvements
  - silviculture
  - sustainable forest management
  - forest protection
  - forest restoration



Source: Hansen Tree Cover Loss dataset

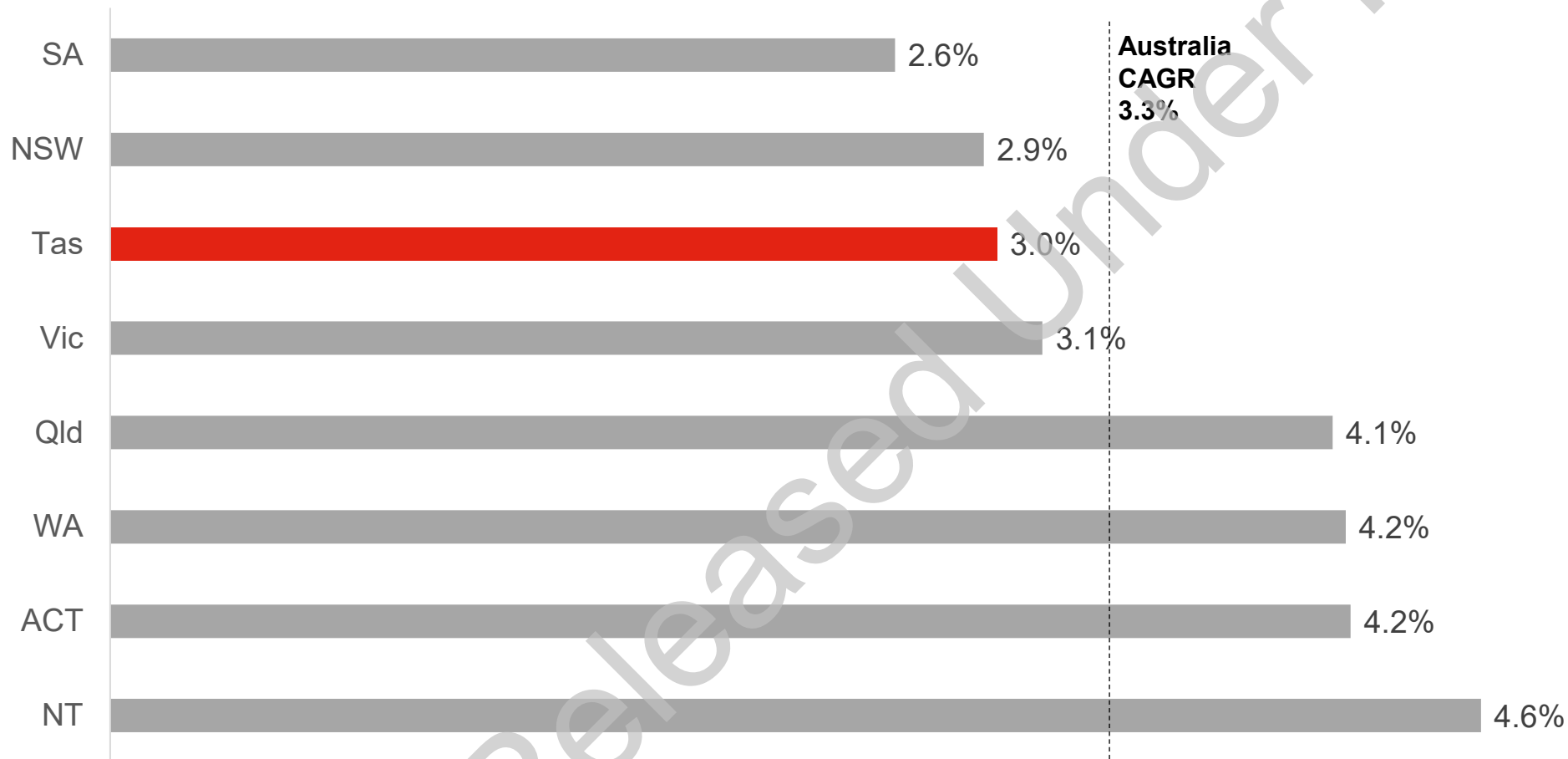
Y axis shows a count of 1 arc-second pixels, roughly 900 square meters at the equator. Area can be calculated with further transformations

Annual gained forest land is based on the linear growth between 2001 and 2012, making gained forest land between 2013 and 2019 an estimate.

# With Dementia, Tasmania's better outcomes, despite higher average age and worse preventable health conditions, suggests research and education is helping



Average growth of estimated number of people with dementia between 2011 to 2020



We have made significant contributions to dementia through **projects in Wicking**:

- Preventing Dementia Online Unit, with **56,207 completions** globally
- Tasmania **Healthy Brain Project**, a world first study aiming to determine whether tertiary study delays or decreases the risk of Dementia
- **Island Study** Linking Ageing and Neurodegenerative disease

In some areas we can see the direct impact immediately: The Tasmania Project has provided government, its advisory forms like PESRAC, and NGOs with data that has shaped policy responses



The Tasmania project was created to give Tasmanians a voice in recovery planning from COVID-19


- 40 researchers producing 40 summary reports
- 120 in-depth interviews
- 7492+ survey responses across 7 surveys
- Over 100 media mentions

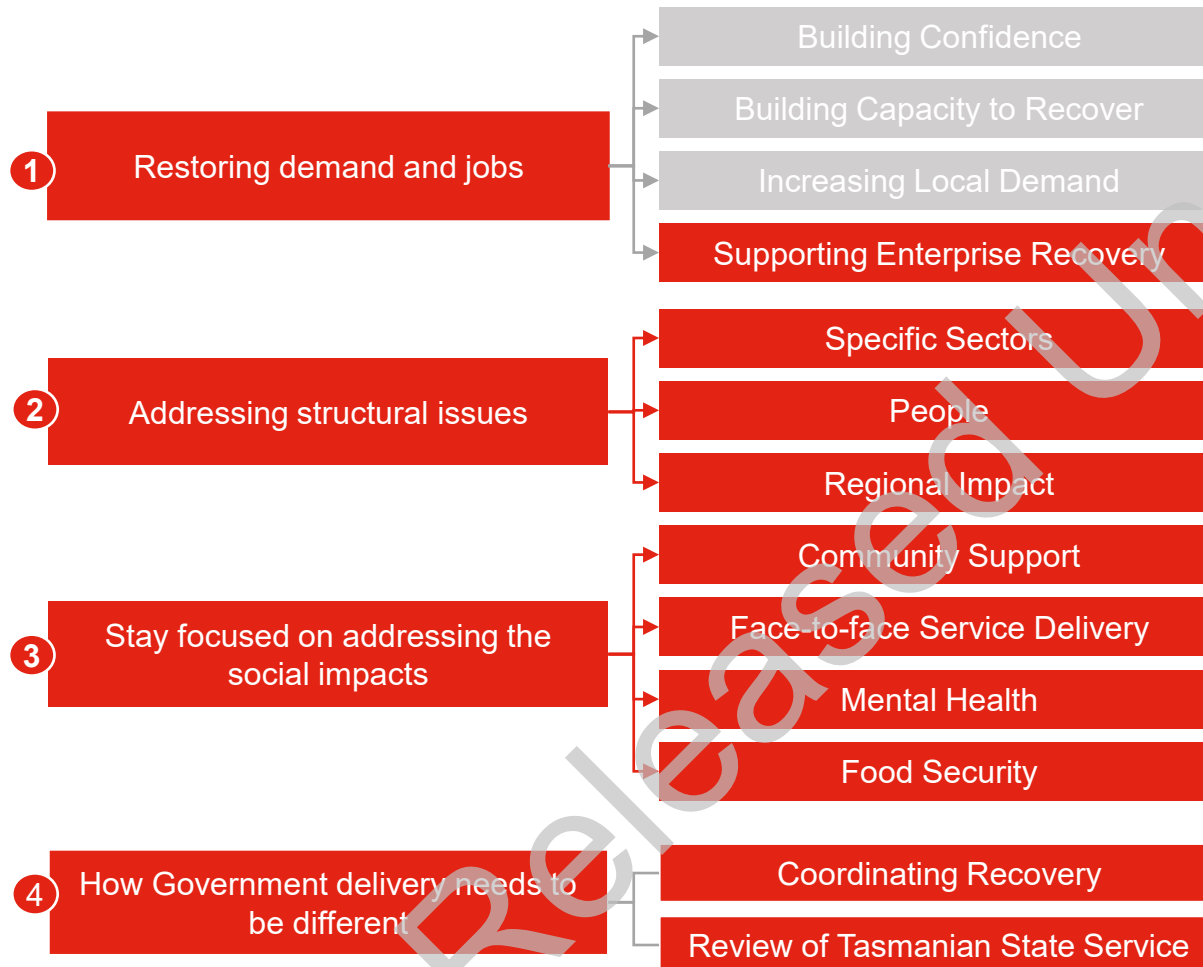
Key findings that are shaping policy:

- There is **broad support** for **compliance with restrictions**
- There has been a **significant impact** on **financial wellbeing** across Tasmania
- Highlighted what people **valued** in the recovery
- **Food security** has **significantly worsened across Tasmania** with 25% of respondents experiencing some degree of food insecurity
- The food security findings have been published in the leading journal *Nutrients*.

# This year has also made clear the strong alignment between our strategy and priorities for Tasmania in recovering from COVID-19

## PESRAC's 4 recommendations made to Tasmanian government on COVID-19 response

 Areas where UTAS strategy is aligned to PESRAC recommendations



UTAS Strategic priorities are **strongly aligned with these areas – we need to** support government effectively to have the impact that the state needs

# During the pandemic we were able to support the State to respond to and recover from COVID-19 in a number of ways



## Key activities:

- Building capability in the State infectious disease team
- Printing **PPE** for GPs and for the NW during the outbreak
- Creation of **~50L hand sanitizer** and **~33L disinfectant** through collaboration between Pharmacy and Chemistry
- Utilising facilities in Newnham and Hobart for **medical simulations, overflow and medi-hotels**
- Enabling **health professionals to complete their courses** despite COVID
- PESRAC support, including **scenario planning**



# We want to be more rigorous in ensuring impact so with Elsevier we are developing a model to measure our impact, which we are piloting on climate change and health



1

## Understand our external context

Gain external insight and a benchmark through a survey of 500 participants

2

## Influence the key issues

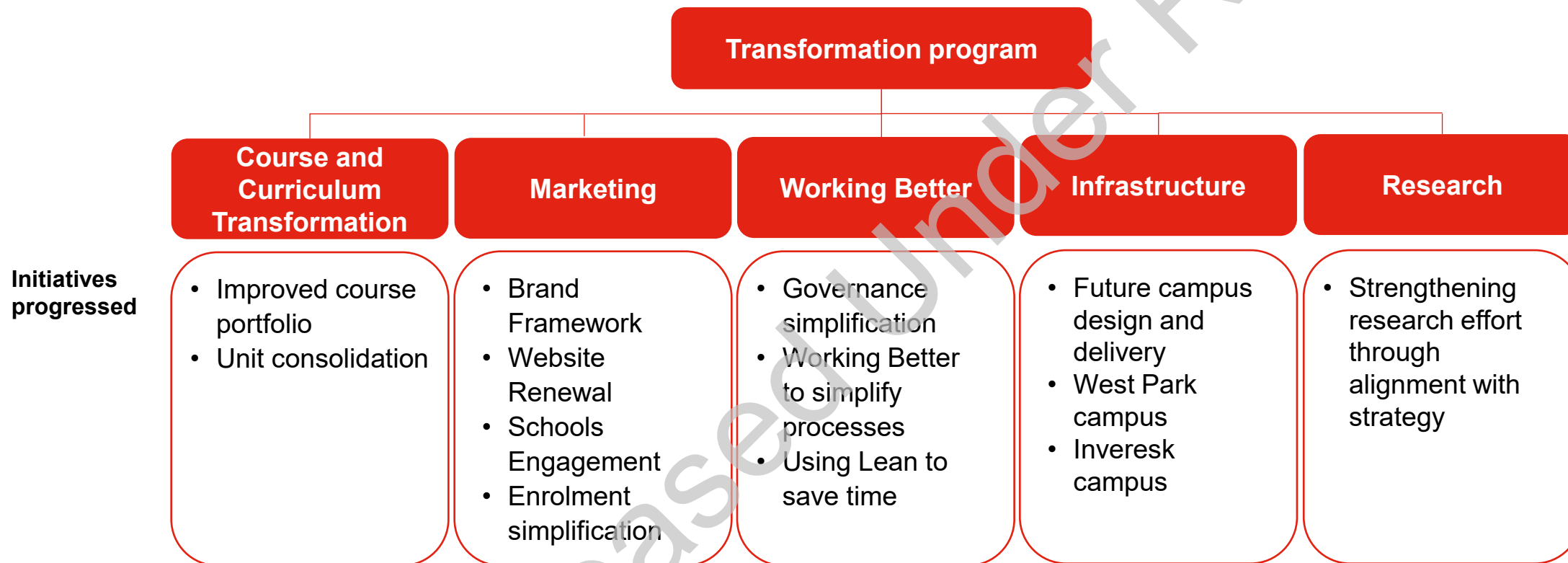
Identify the key issues of importance we can influence, to prioritise effort

3

## Determine our impact through attribution

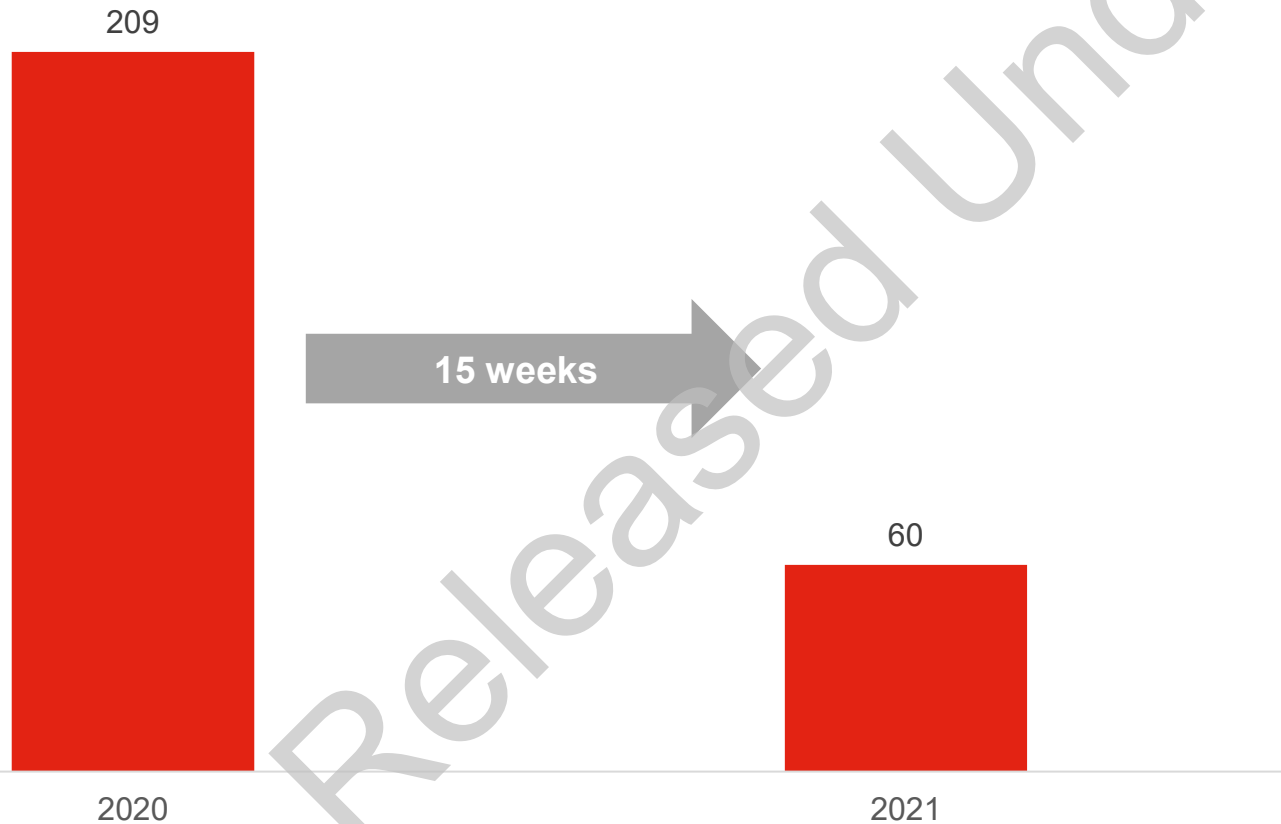
Develop the attribution model and program of activities to determine our impact for Tasmania

# We have made significant progress in achieving some of our most important transformation projects



# We have improved our course portfolio by reducing the number of courses we offer to present clear and compelling choices

Number of Undergraduate courses from 2020 to 2021

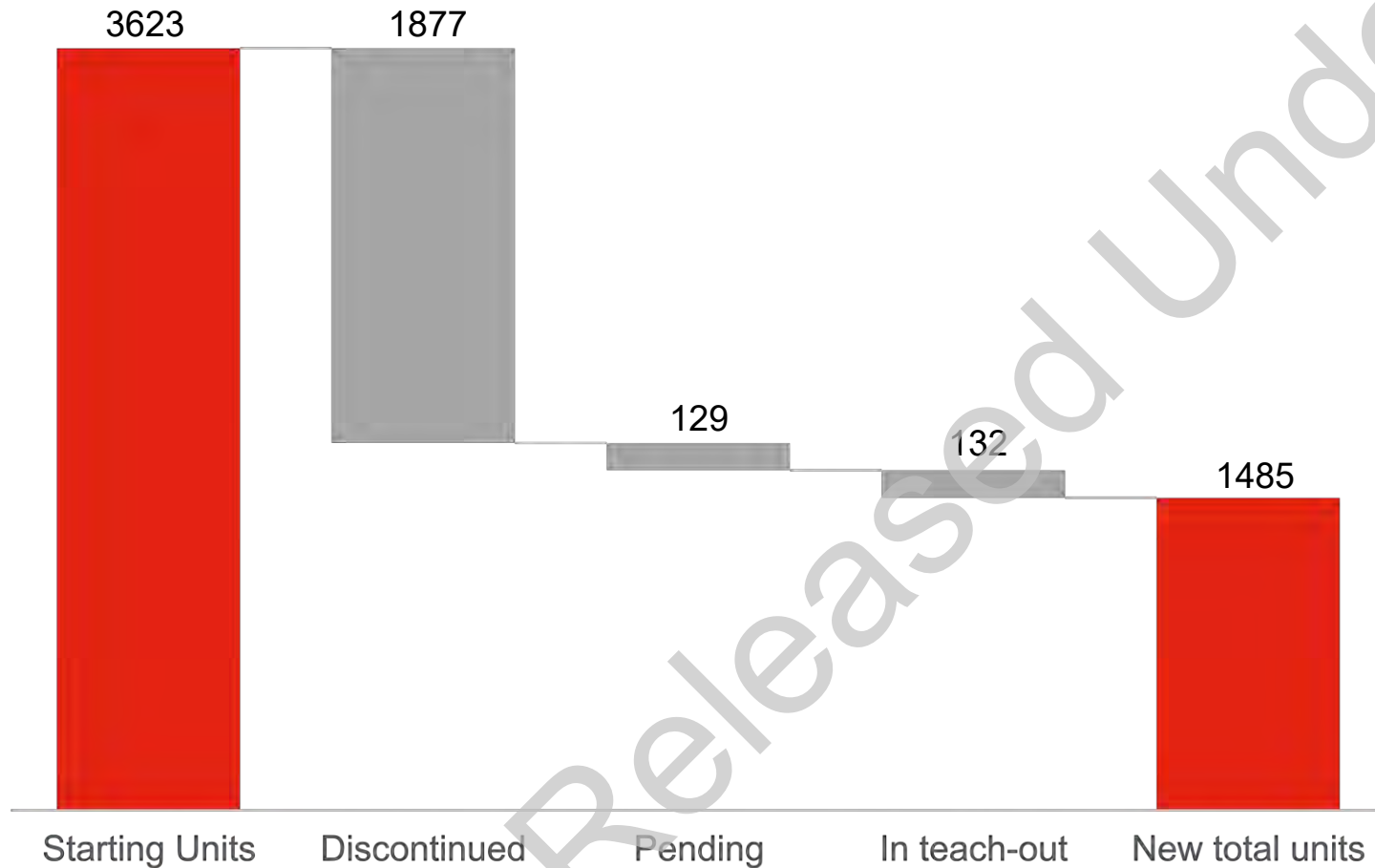


## Key insights:

- In 2020 we had undergraduate courses that **duplicated, were disconnected and confusing** for students and staff to navigate
- For 2021, we will have **60 course nests** containing **93 courses**
- Our course portfolio is now **clear, aligned and presents a compelling array of choices** to prospective students.

# We have reduced the number of units in our undergraduate programs by nearly 60%

Level 100-400 unit consolidation August 2020 – October 2020



## Key insights:

- Colleges have **reduced** their total units by an **average of 57%**, with CALE and UC having consolidated the most at 68% each
- **64% of breadth units** have been **discontinued**, with the **remaining 13 units** becoming **part of core majors or courses**
- Pending units are awaiting course approval before they are discontinued

# We have launched our brand narrative and new visual identity that draws on the feedback from our Strategic Plan



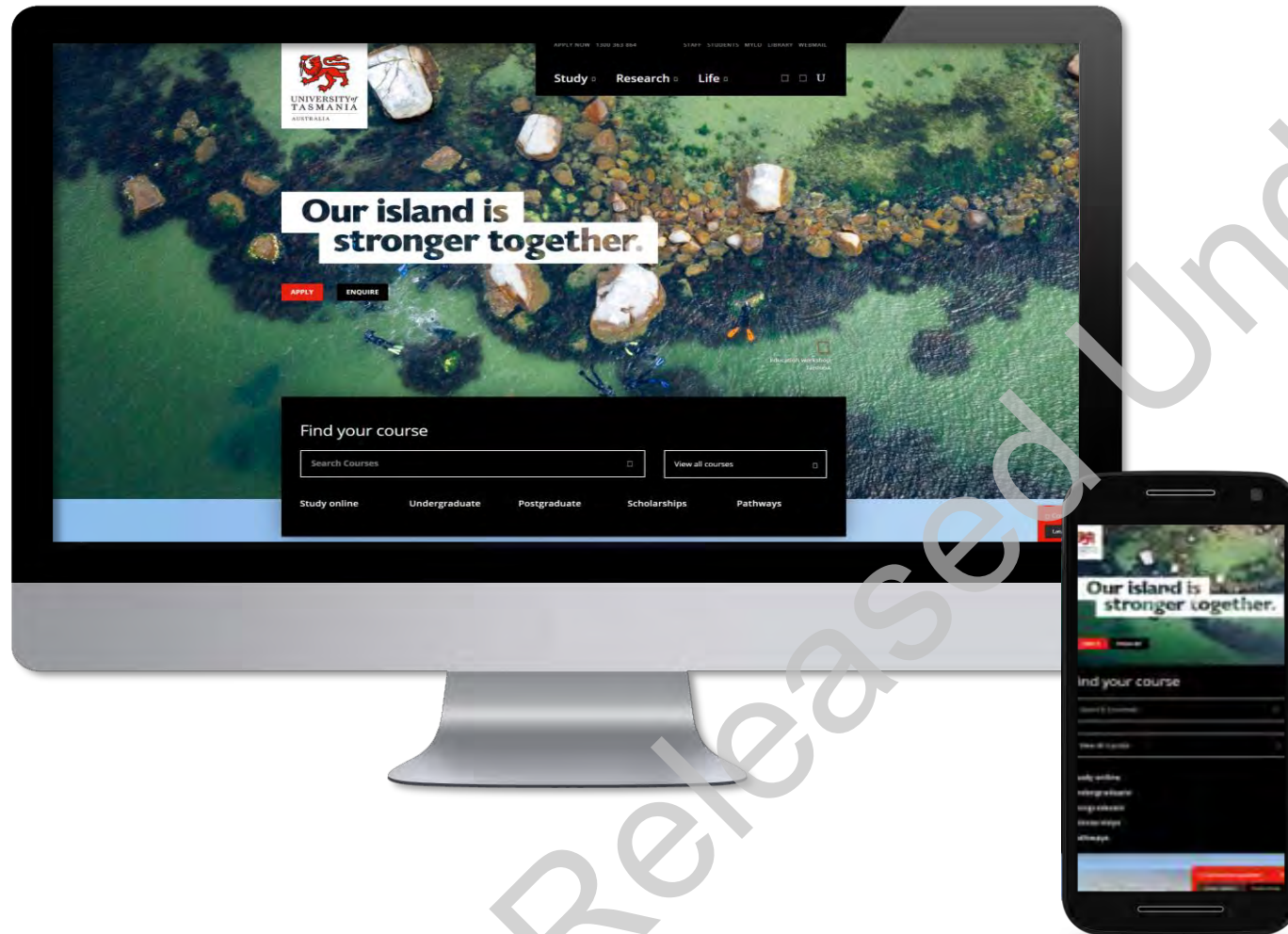
“

I really liked it because it makes me feel that the University wouldn't be boring but fun and adventurous. The opportunities there look really good.

– MAINLAND HIGH SCHOOL STUDENT

- Our narrative informs our future brand direction, which captures **our mission and vision**
- It informs the **qualities, values and character** that shape our brand essence
- This clarity enables us to express ourselves **consistently and simply** for our audiences
- Our narrative will also shape a simple, consistent visual identity that will **build equity and retain distinctiveness**

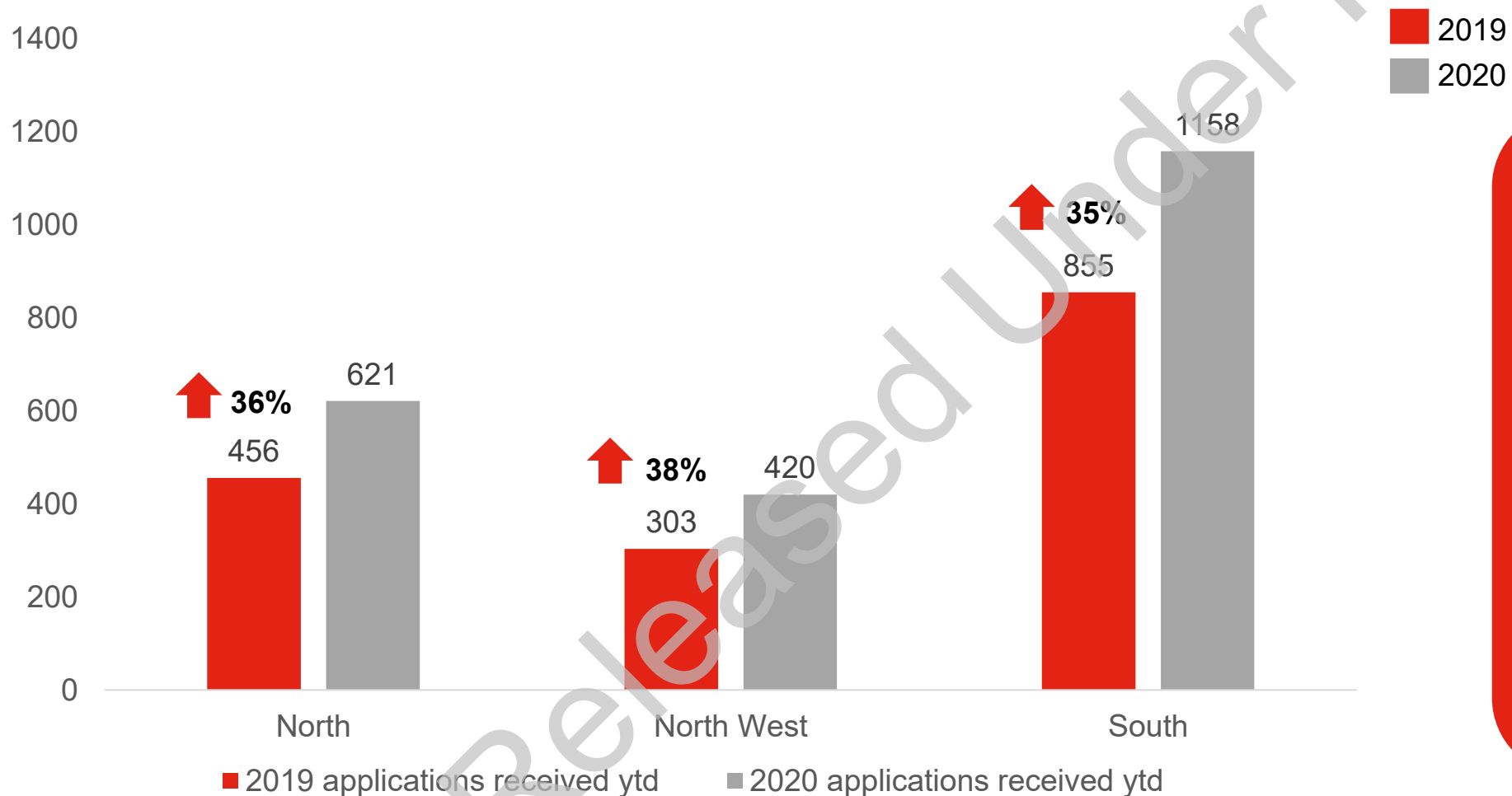
# We have made significant progress in simplifying our website as the project nears its first major milestone in December



- We have **reduced 31,881 web pages** (with additional reductions continuing)
- Transition is now complete to the new, more adaptable cloud servers **improving website speed by 35%**
- Commenced the development of new website designs, including personalised journeys and **mobile first approach**

# The Schools Recommendation Program (SRP) is helping us increase the number of Tasmanian students seeking to participate in higher education

Number of Tasmanian Year 12 applications received YTD



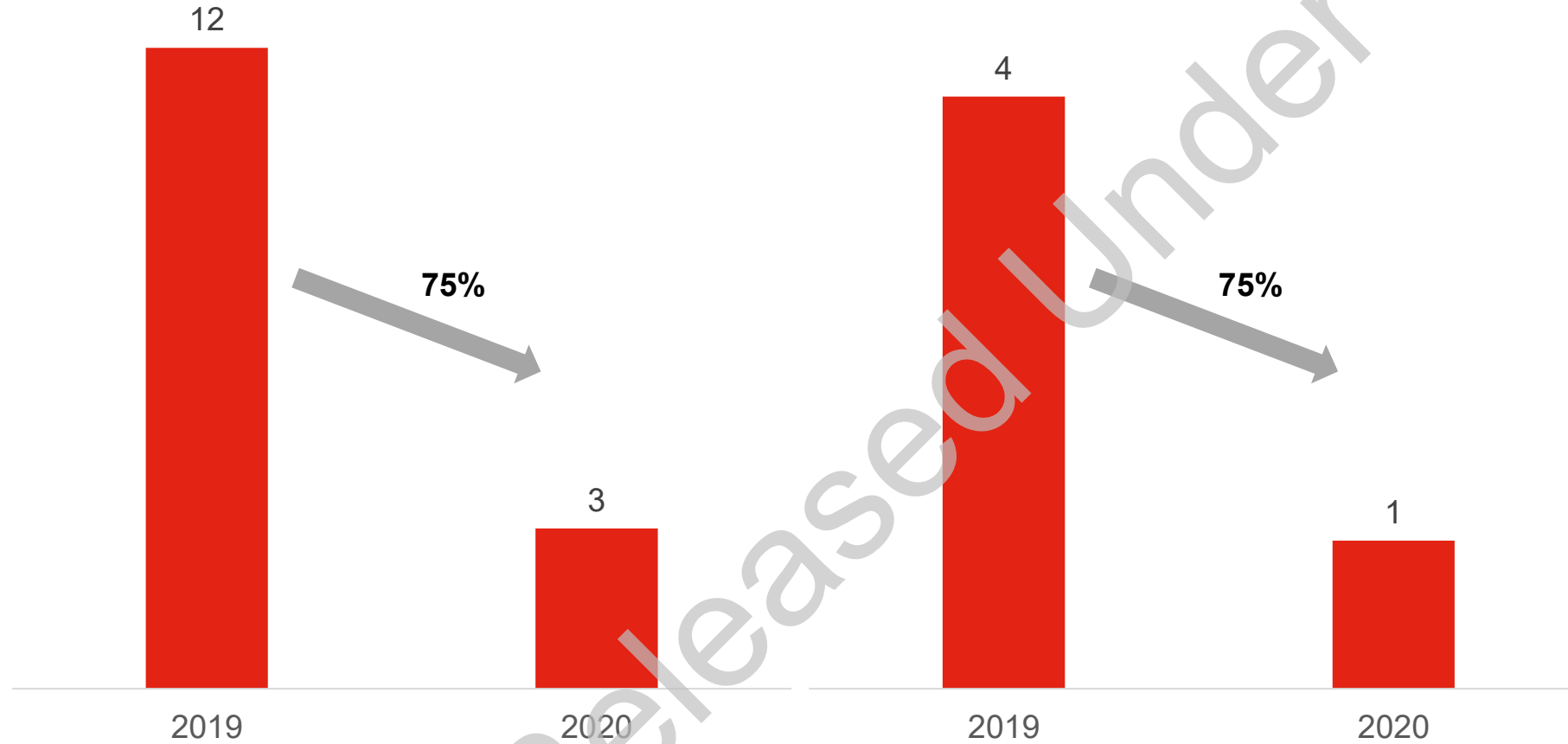
## Key insights:

- We have **significantly improved** on year 12 applications YTD **across all regions**
- The SRP has also helped us engage with schools more effectively, creating long-lasting relationships
- In 2020, we **brought forward the dates of the application pipeline** – we may not end up as far ahead as we are now when applications close

# We have improved our enrolment process to enhance simplicity and transparency to better meet the needs of students

Number of steps in enrolment process 2019 - 2020

Time required to provision student account (days)



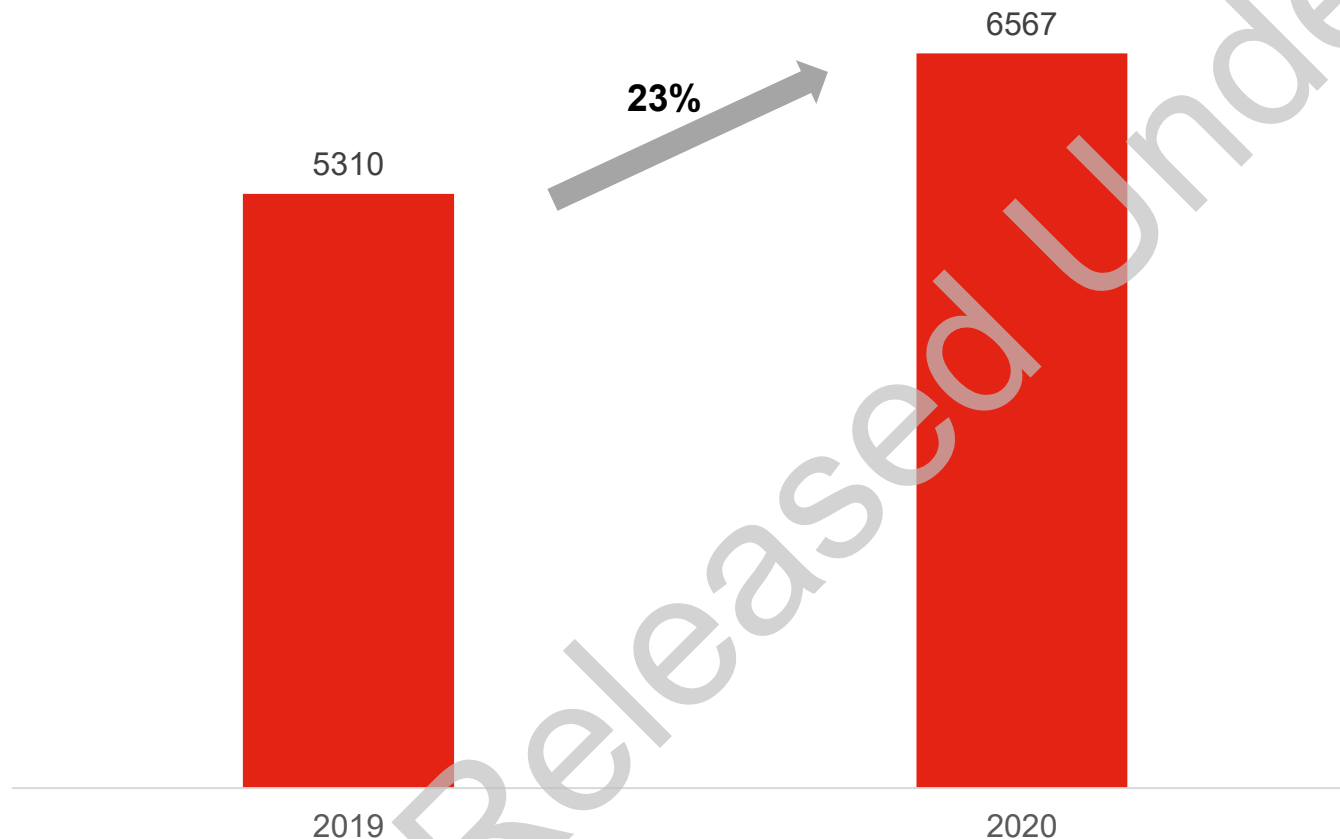
## Key insights:

- Since the 'soft launch' **1,596 students have enrolled, with ~80% 'self-enrolling'**
- On average 1,800 students are accessing eStudent per day
- Nearly 20% of students are **enrolling via mobile device**, which was previously not possible



# Our strategies to simplify and create distinctive offerings to attracting Tasmanian and interstate students are working, with a 23% growth in core course enrolments in 2020

## Core course enrolments 2019 vs 2020



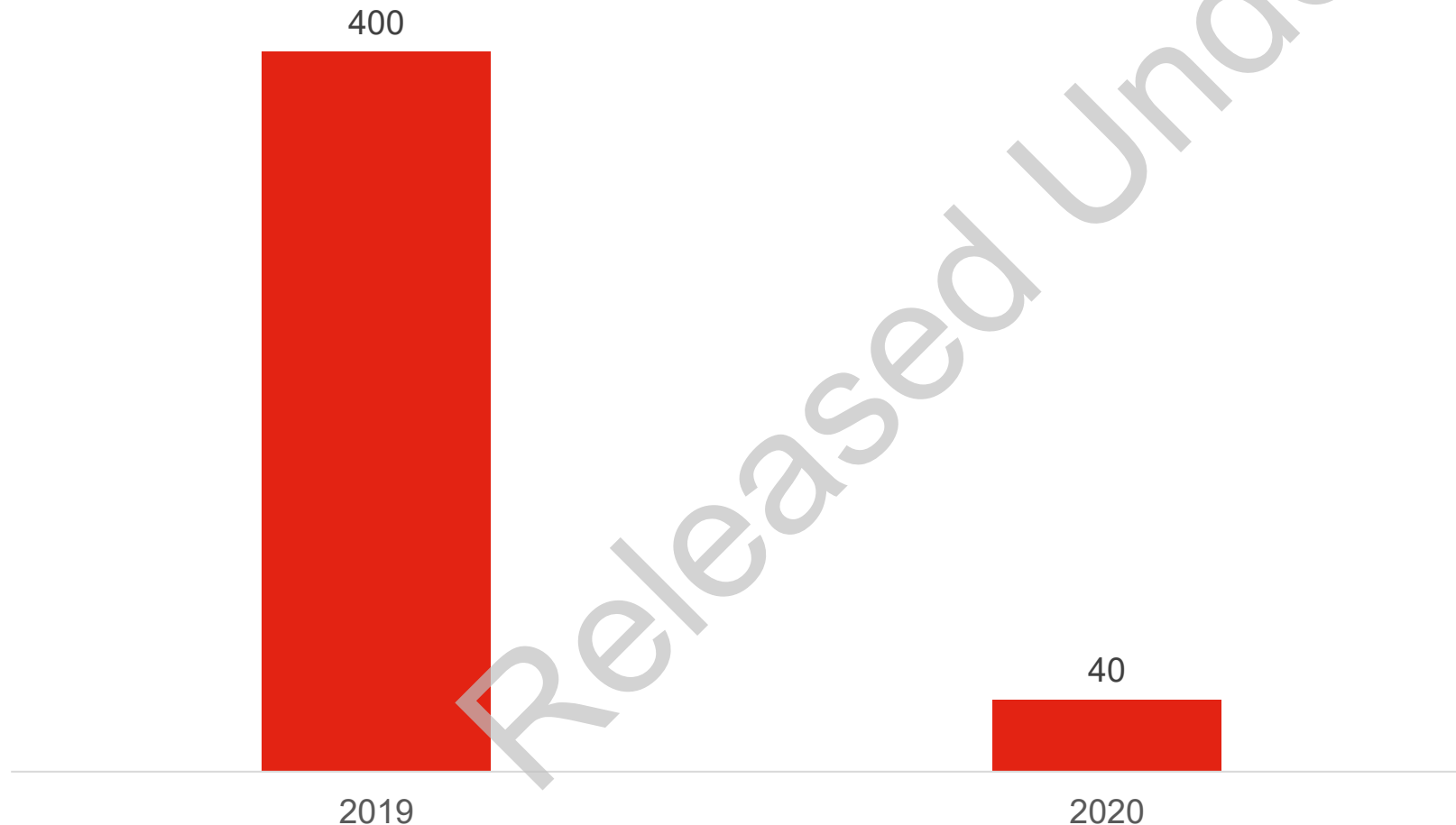
### Key insights:

Our highest growing core courses include:

- 140% growth in the Bachelor of Science
- 130% growth in Master of Social Work
- 70% growth in Bachelor of Engineering and
- 70% growth in the Bachelor of Health (public health)

# We have simplified our governance instruments to ensure we make effective, accountable decisions that enable us to respond to, and pursue opportunities

The number of governance instruments in effect 2019-2020



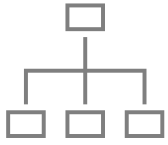
## We have gone from:

- ~116 policies
- ~20 University Council ordinances
- ~12 Governance Level Principles
- The University By-laws
- >280 Academic Senate and University Council rules
- *University Council Charter*
- Complex system of delegations with >400 instruments

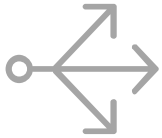
## To:

- The University By-laws
- 10 Council ordinances
- 30 principles-based policies

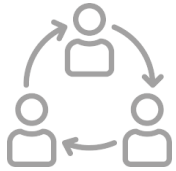
# Working Better has achieved some substantial benefits, with more to come



Divisional structural redesigns have identified sustainable **professional staff salary cost reductions of 13-15%**



**College structural redesign** increased strategic capability and better aligned professional support across Colleges



**New delivery models** developed in Placements and WIL and in Technical and Laboratory Support and testing with staff underway



**Consolidated capability in online learning** design has increased our capacity, reduced duplication and removed redundant systems



**Lean redesign work underway and accelerating**, delivering simplification and efficiencies e.g. streamlined and automation of administrative support, new medical disclosure and lab induction processes

# Applying Lean principles is giving us time back to do more important tasks



Shared services have implemented 41 initiatives in 2020 and saved **4894 hours**



Student Accommodation applied Lean principles to six of their processes and have saved **75 days**



Finance implemented an RIE that reduced their End Of Month processing time by **8 days every month**



COBE automated their exam process to reduce the processing time from 27 hours and 107 spreadsheets, to **32 minutes**

# As we transform our campuses, we have reimagined the future delivery of higher education in Tasmania



Our new buildings reflect:

- How we teach and spaces that **support new pedagogies**
- How we work in a **post pandemic** environment
- How we **engage with community and industry** as a placed based and regionally networked University

# We have made significant progress in our campus transformation projects with construction well underway at Inveresk



- The **Northern carpark DA** was approved in September, with construction due to commence in November
- DAs for River's Edge and Willis Street are currently **being considered** by Launceston Council
- First and second floors of the **Library and Student Experience building** are in progress

# West Park construction also continues to be progressing well, with practical completion expected in August 2021



- West Park campus **construction is ahead of schedule** with the roof deck and building façade substantially installed
- Working groups are progressing the planning for **students and staff to move** from Mooreville Rd
- An **co-designed activation** plan to meet the needs of NW communities is in progress

# PBSA2 is also tracking to be completed ahead of schedule, with delivery due in December

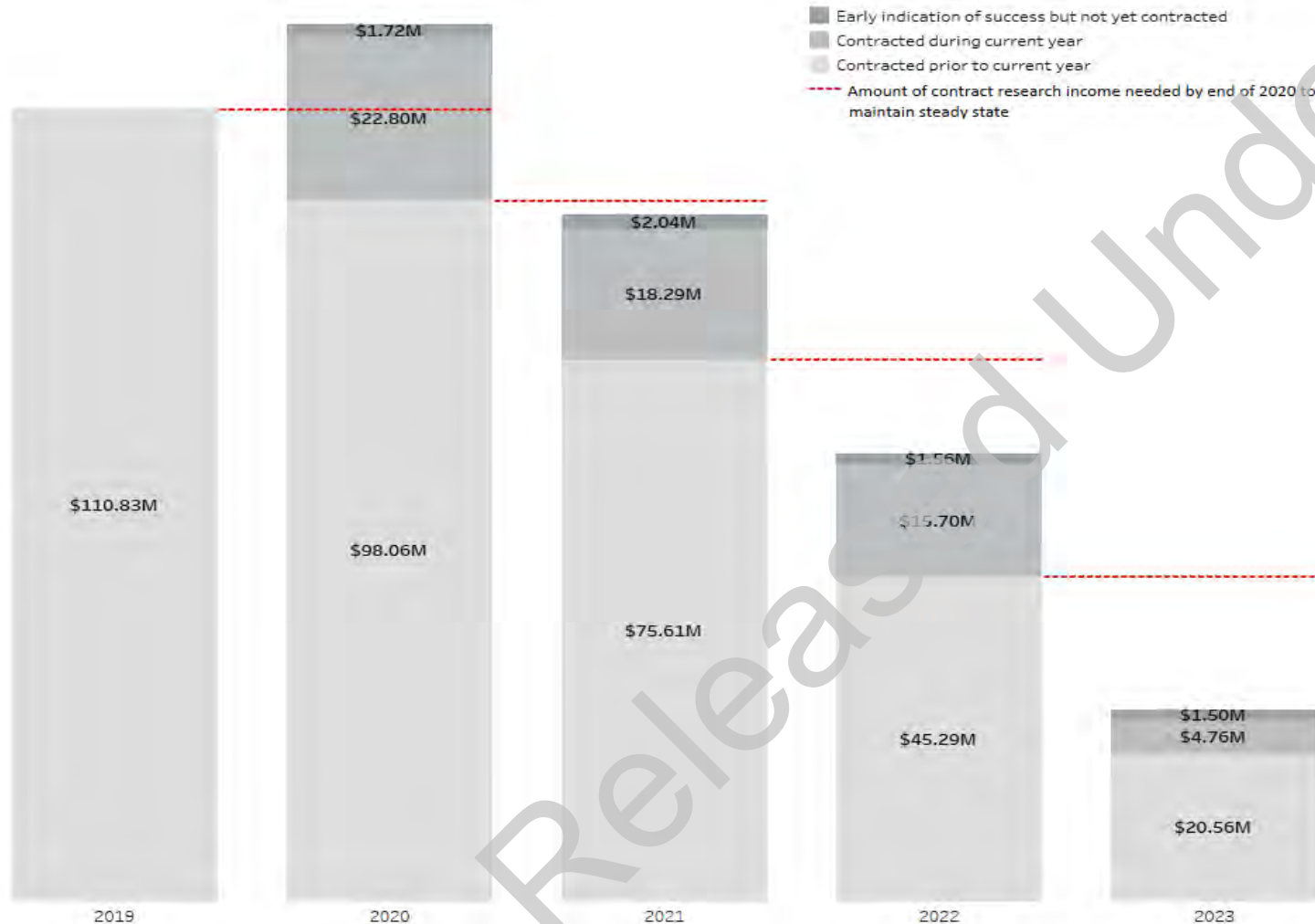


- The 442 bed accommodation is **ahead of schedule**, and due for completion in December
- The heritage and podium buildings are currently **being outfitted** ready for use in early 2021
- A DA for Penny Lane, including surrounding landscaping is currently **under assessment by Council** with these works due for completion ahead of the building opening



# Despite the many challenges research funding this year exceeds last year and strategic alignment of our work is increasing all the time

Pipeline of contracted research funding at 30 September 2020



## Key insights:

- Our administered contracts are 9.3% higher than the same time in 2019, up from \$56.3M to \$61.6M
- Gaps in research funding to maintain steady state have been identified for 2022 and 2023
- We must continue the development of strategically aligned large institutional research funding bids **now and in 2021** to boost 2022 and 2023 funding levels above previous years

# We have refined our strategic plans to focus on creating impact and achieving sustainability

## We have made progress across key areas of impact and sustainability

- There is evidence that the University can improve outcomes for Tasmania, and we are making sure we can measure that impact.
- Some of our COVID responses have been critical to the State
- Our projects to create a more sustainable University have made a lot of progress this year

## The changing landscape of 2020 has crystallised three key challenges in delivering our impact and operating sustainably

- Tasmania still has significant challenges across the six outcome areas and COVID19 is entrenching disadvantage
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- We are establishing plans to bring our students and staff back to campus in 2021

**Tasmania has made some progress across the six outcome areas, but some of our greatest challenges have not shifted, or have worsened and COVID19 is entrenching disadvantage**

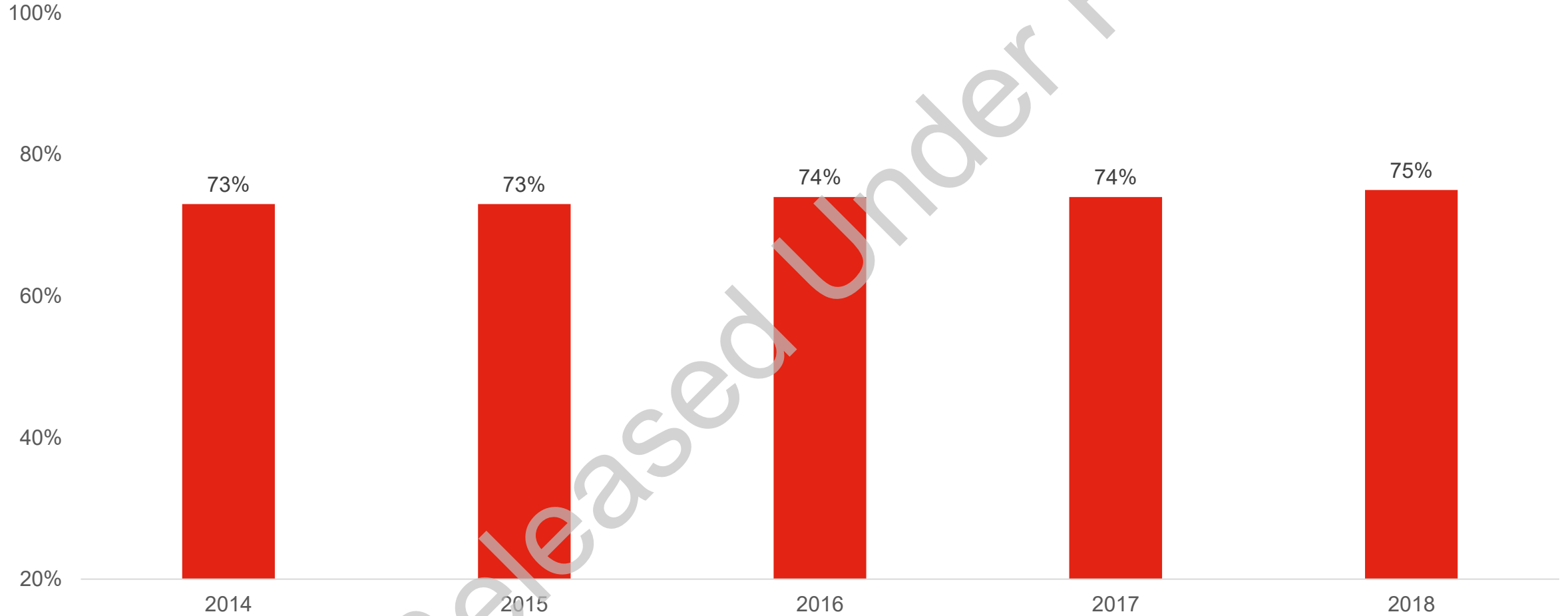


**For example, Tasmania has made some progress in regards to lifting education outcomes, but we have further work to do to improve equity and access**



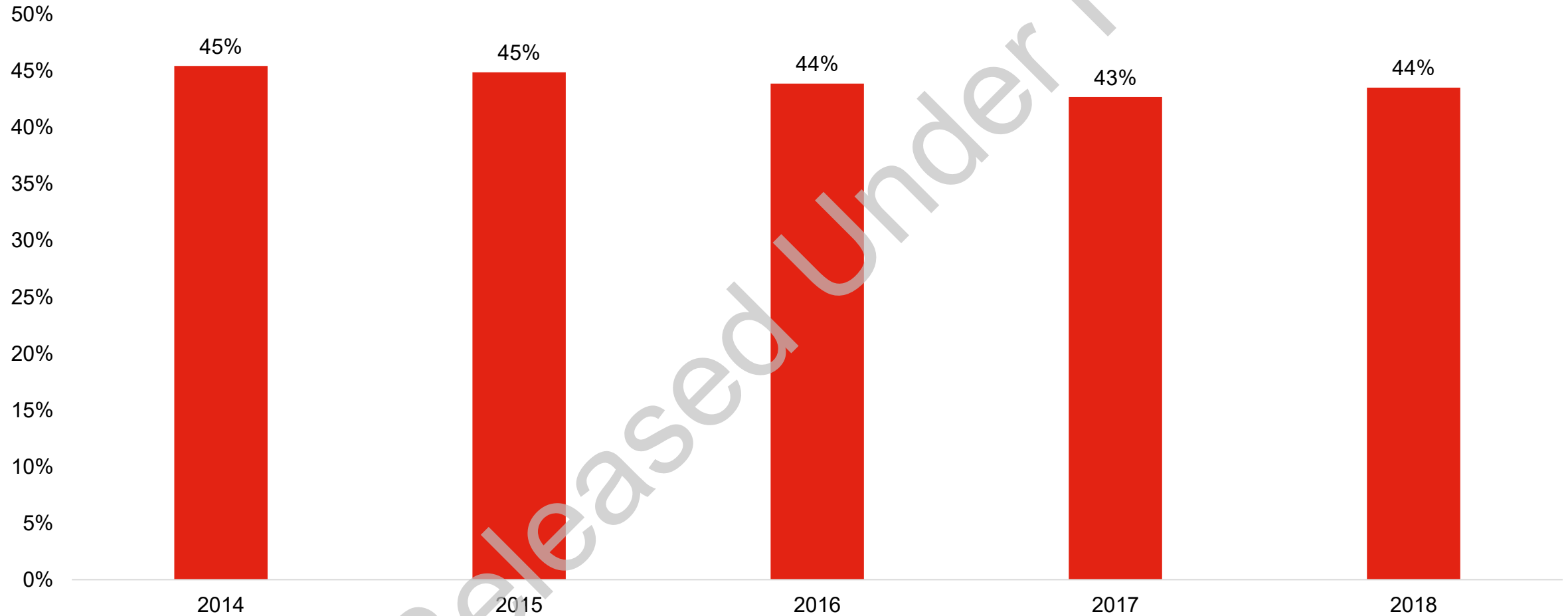
# The proportion of students retained from Year 10 to Year 12 in Tasmania is steadily increasing

Percentage of Students retained from Year 10 to Year 12 (2014 – 2018)



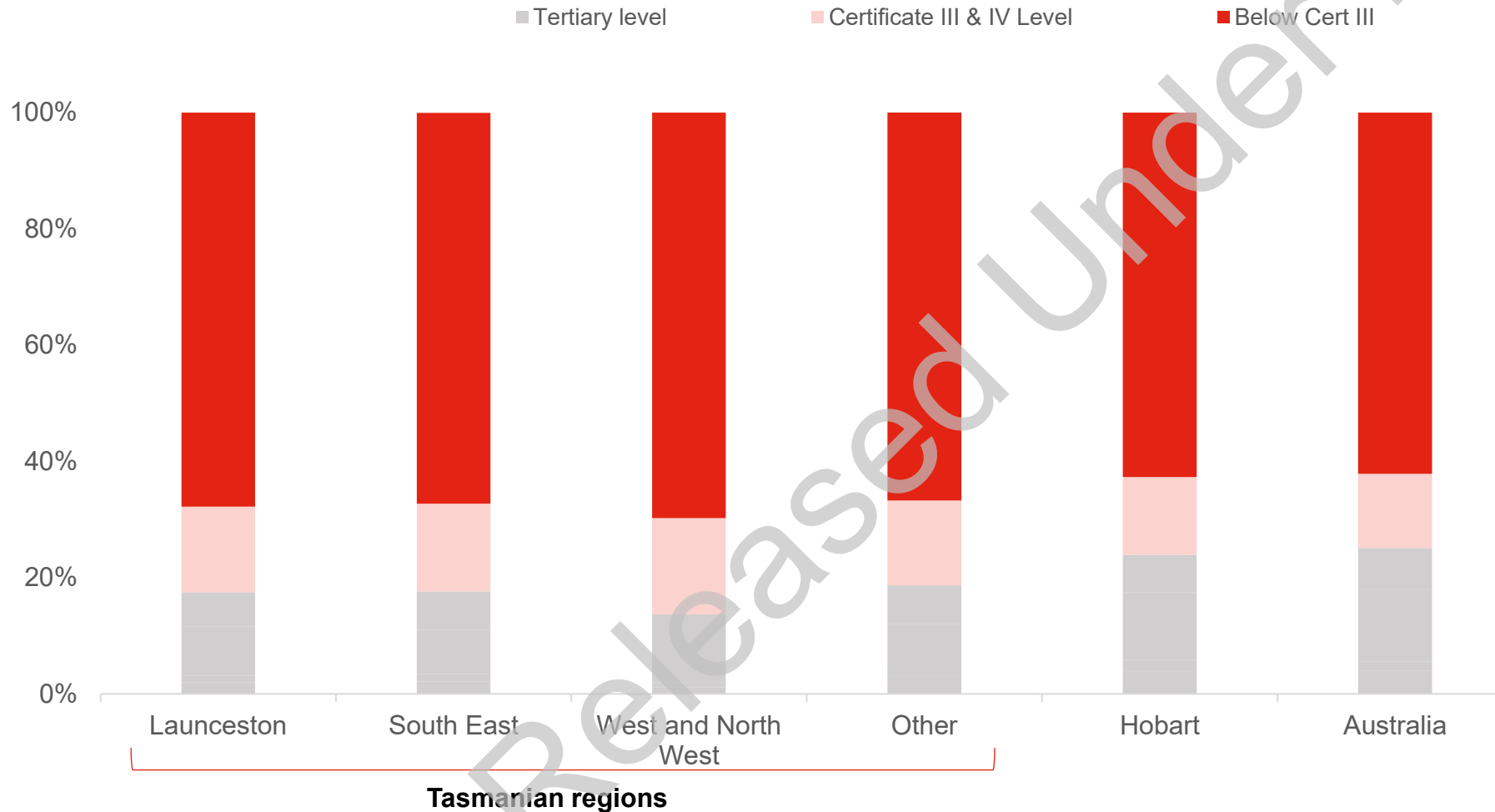
# But the proportion of Tasmanian students leaving Year 12 with an ATAR score is dropping, meaning we are not engaging the increased cohort effectively

% of Year 12 students finishing year 12 with an ATAR score



# Our regions continue to be particularly disadvantaged when it comes to further education beyond year 12

Highest Education level attained, 2016



**Key insights:**

- **Hobart is largely in line with Australian education levels**, with ~63% of students having education below Cert III
- For **Tasmanian regions**, this number is as high as **70%** with an accompanying **lower proportion of Advanced Diploma and above**

Source: ABS HEAP 1 digit level by SA4 counting persons (usual residence TAS) 2016

# We are not adequately securing our position as the world leader in research in the Antarctic and Southern Oceans

## We have the opportunity to be world-leading in the Antarctic and Southern Oceans

- ✓ Optimal geographical location for conducting research
- ✓ World leading experts in Oceanography, Fisheries Science and Geophysics
- ✓ Hold strong partnerships with Australian Antarctic Program Partnership, Centre for Marine Socioecology, Australian Centre for Excellence in Antarctic Science
- ✓ Have infrastructure and knowledge to deliver world-leading research

## ...but our approach to seizing this opportunity is fragmented

- Our activities are not necessarily aligned to end user needs
- Our external stakeholder partnerships are distributed across various areas and activities are not co-ordinated
- We do not have a coordinated and holistic approach to delivery

In early 2020, the ARC (SRI) committed \$20M to UTAS to be spent over 3 years

**This funding fell short of expected allocation by \$36M and 4 years, in favour of a Monash-led consortium**



# The JRG package has been designed to enable continued growth in higher education participation, whilst not increasing the government contribution

## Key changes under JRG

---

**Objectives** of changes are to improve graduate job prospects and to meet 'other national priorities', with a focus on regional outcomes and accommodate population growth

Alignment of funding with **cost of delivery and reduction of average per student contribution**

Mix of Government contribution (CGS) and Student contribution total (MBGA) for each FoE is **adjusted** with aim to drive student choice

Ultimate outcome is a **greater number of CSPs** across the sector, **funded by a higher average student contribution** (approx. 7% higher), which will be indexed

From 2024, HEPPP and the National Institutes Grants will be **combined** to form the Indigenous, Regional and Low SES Attainment Fund (IRLSAF)

# There are a number of opportunities and imperatives the package creates for us, which largely align with our strategic direction

## Opportunities

---

**Grow places by ~1,100 EFSTL**, which will help us grow education participation in Tasmania and reduce reliance on international students

**Increase access for low SES Tasmanian students** through the new scholarship scheme

**Grow revenue in 2024 by \$15m** more than the current funding regime

## Imperatives

---

**Continue to fill the growing cap**

**Increase our HECS collections** as student contribution increases and the Government contribution reduces dramatically especially in key areas in the humanities, business and law. **This will require major changes in our model** of only using HECs subsidy for non-core courses and large fee discounts

**Ensure the cost of course delivery is aligned to the new funding rates**

**Diversify our research funding** to address potential **funding gaps** in 2022 and 2023

**If we can continue to fill our cap, we will be better off under the new model by \$15.3m p.a. by 2024 and a transition fund has been established that will help us adapt our operating model, which will support us by up to \$14.3m**

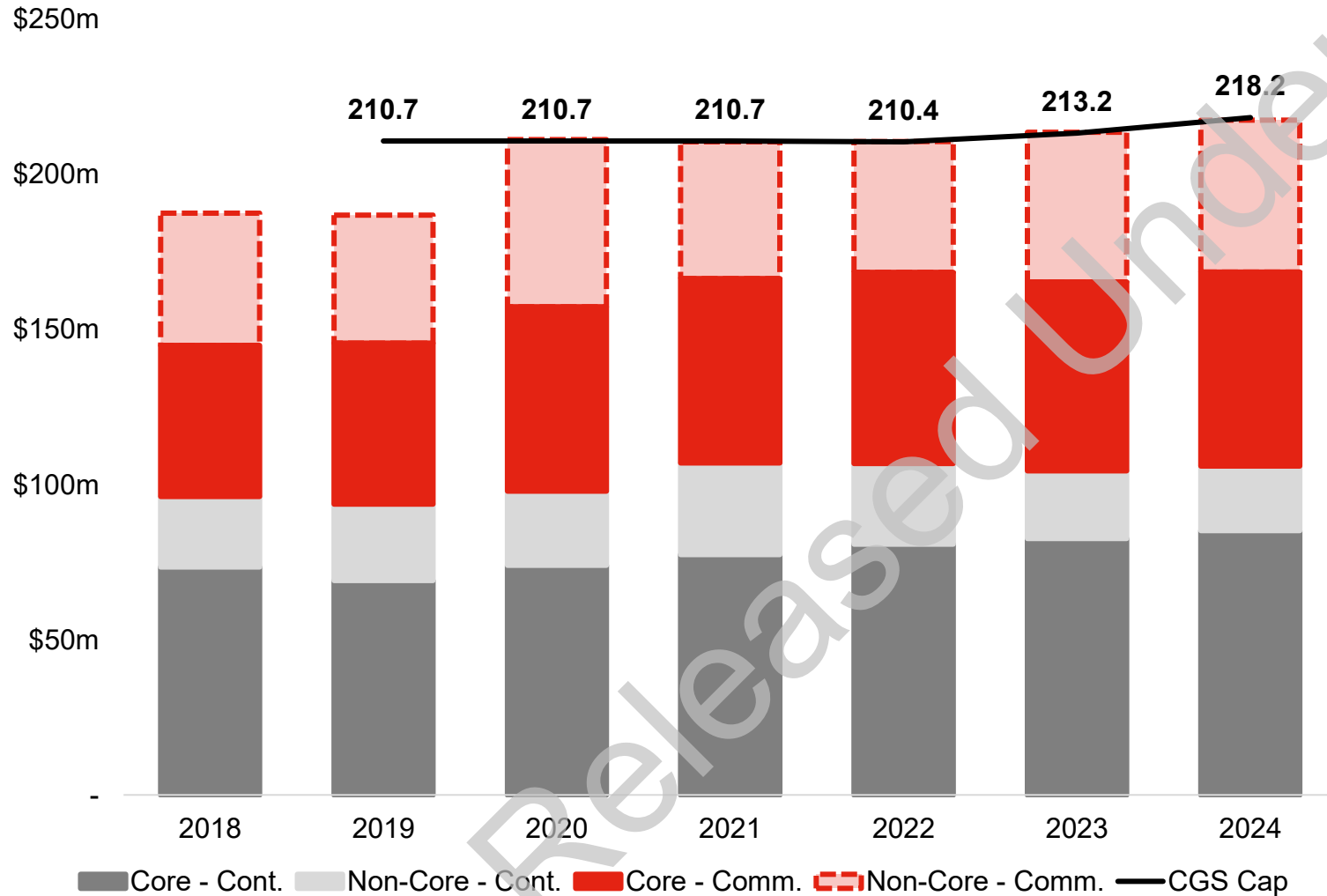
JRG Package: Transition Fund Modelling	2021	2022	2023	2024
Change in base funding (CGS+SCA)	(19.1)	(20.8)	(22.4)	(23.8)
Additional places + CPI	4.0	11.2	20.3	30.8
Other (NPILF and HEPP)	5.4	6.2	6.9	8.3
<b>Net difference</b>	<b>(9.7)</b>	<b>(3.4)</b>	<b>4.8</b>	<b>15.3</b>
Transition Fund support 2021-2023	9.7	3.6	-*	n/a

If we are able to fill the new cap available to us, there is an opportunity for us to be \$15.3m better off by 2024

\*2023 Transition Support of zero reflects a positive overall funding impact.

# To see the additional \$15.3M per year, we will need to fill our cap, which is approximately an additional 1,100 EFTSL

Maximum CGS Funding under the JRG Package \$ millions

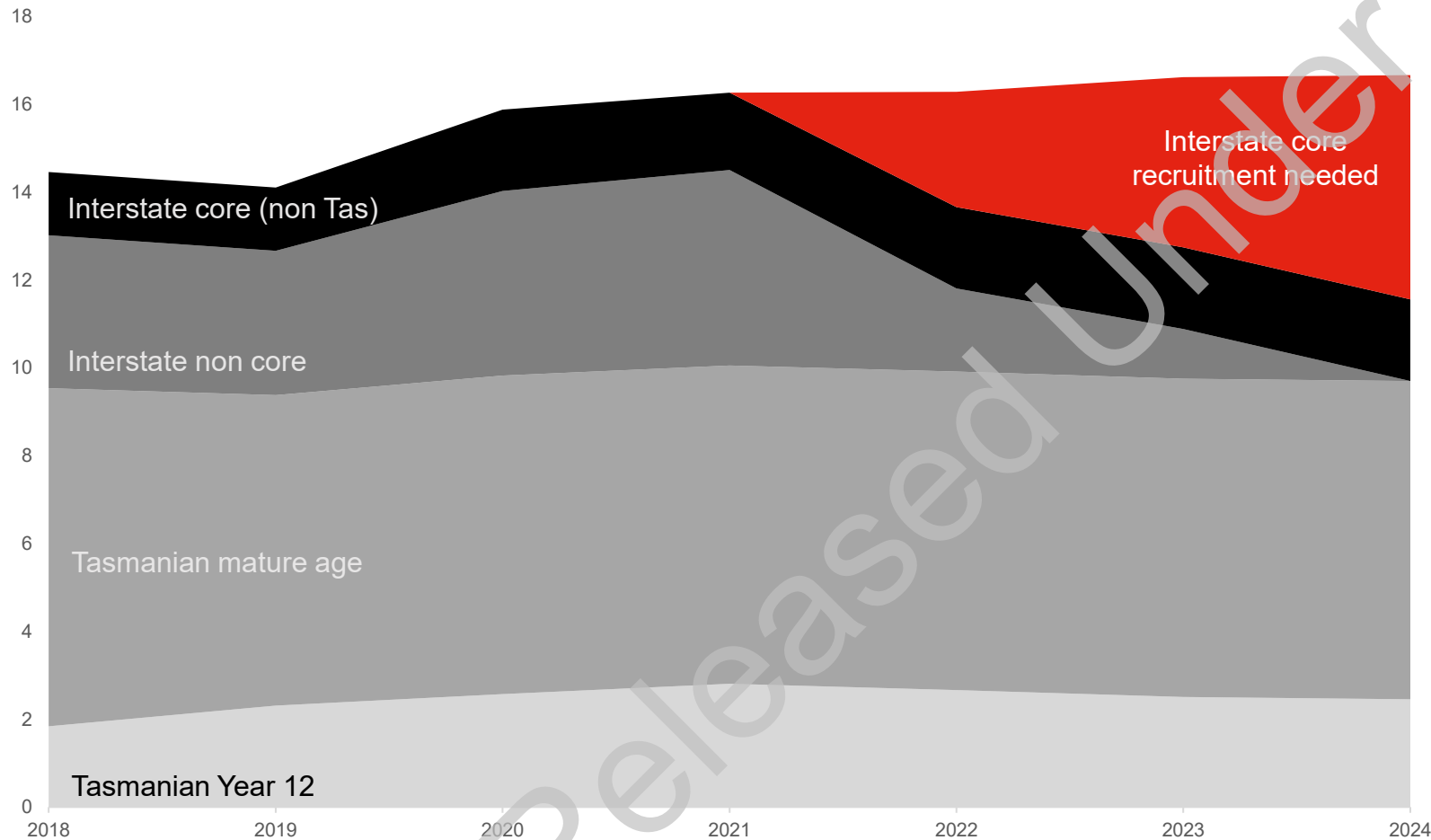


## Key insights:

- Funding for the additional 1,100 is not guaranteed, and will require us to **fill our places** in order to receive this
- We also have the opportunity to **collect more HECS** revenue through less discounts as we fill our cap
- We also need to retain more students and we are looking at the student journey to lessen attrition

# To achieve this domestic growth, we need to work against Tasmanian demographics and strongly focus on growing core interstate student numbers

Domestic EFTSL outlook by market '000

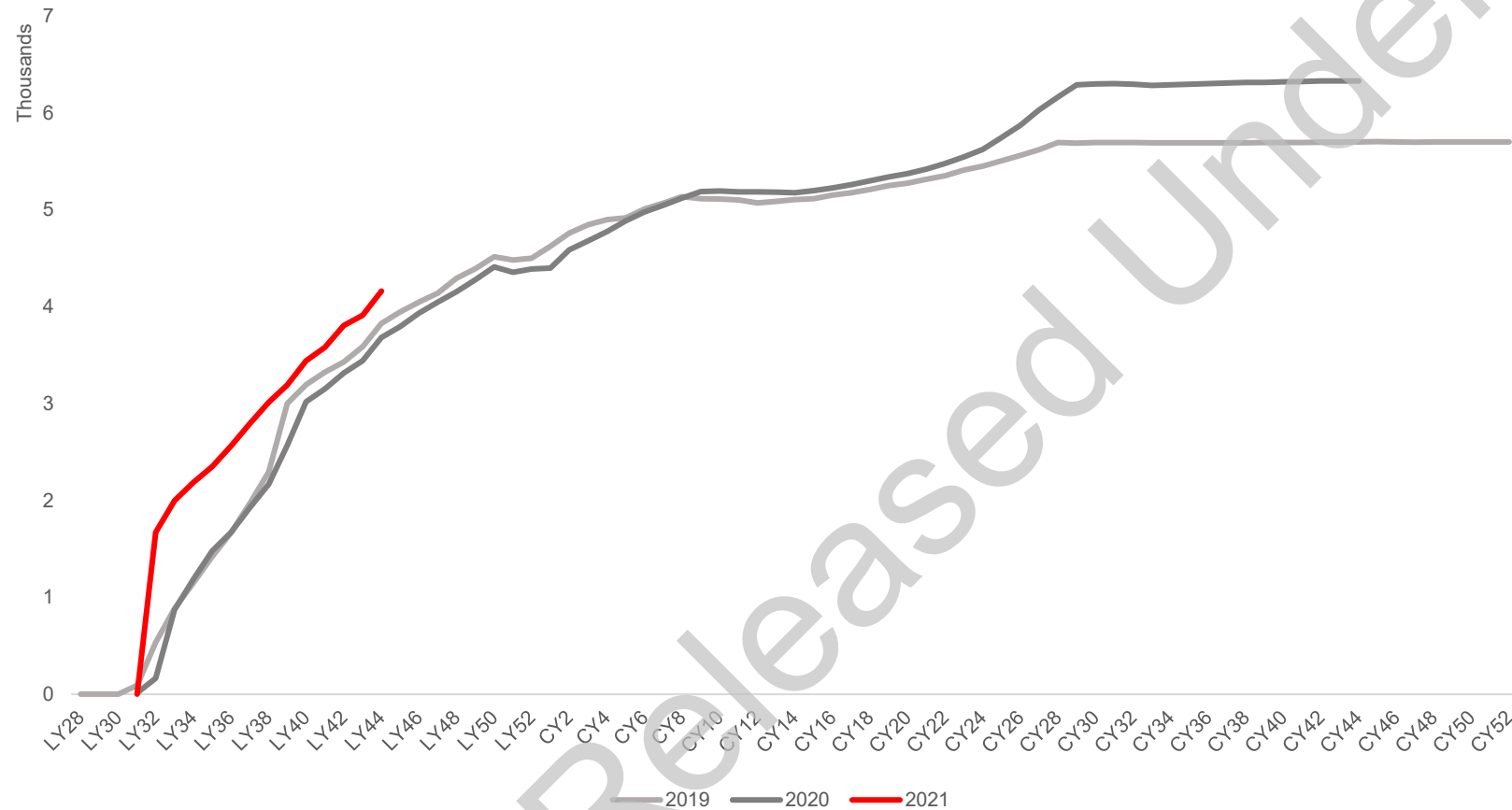


## Our approach by segment is to:

- Improve the **Schools Recommendation Program (SRP)** to grow our share of years 12's into HE and grow the number considering university
- Complete **deep modelling of Tasmanian households** to understand demand for skills and training which is supported by targeted market research
- Adopt **more aggressive pricing** of our attractive non-core offerings while JRG support exists to shift them to core
- Target interstate students via the **SRP, targeted digital campaigns and personalised case management** of interested students

# The progress we made with the SRP is reflected in the number of applications we have received, but we must convert these students and continue our work to grow interest in education in Tasmania

Number of core Tasmanian applicants by week 2019 – 2021

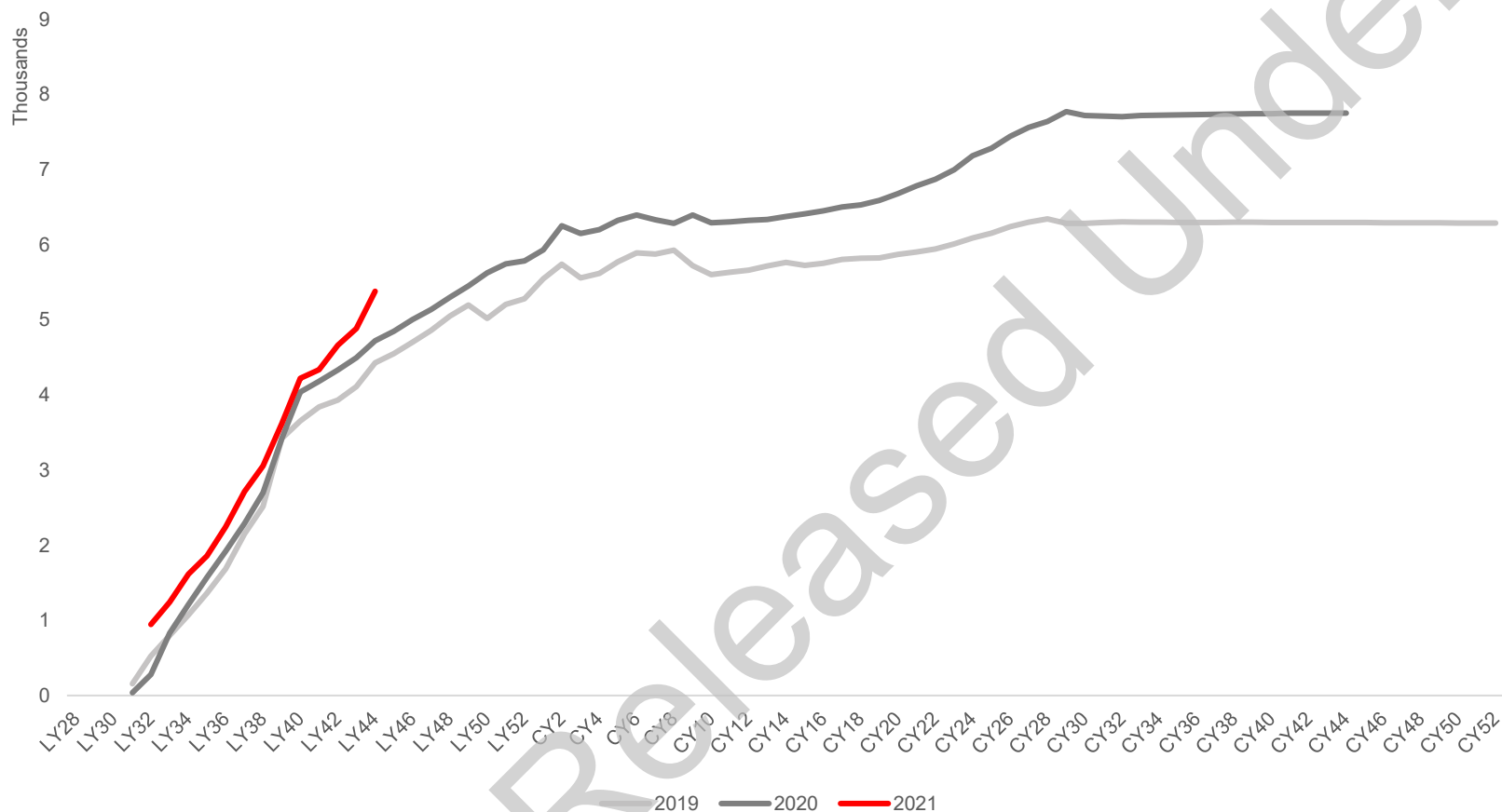


We have a number of initiatives to grow Tasmania students, including:

- Expansion of the SRP in 2021 to be fully integrated into our enrolment process
- Conducting **deep analytics of Tasmanian households** to understand key areas of education, skills and training need
- Work with our regional PVC's to develop better engagement with schools to lift higher education aspiration

# We have also seen great interest in our core offerings from interstate students, partially driven by the SRP on the mainland, but our challenge remains to convert these students and bring them to Tasmania

Number of core Interstate applicants by week 2019 – 2021

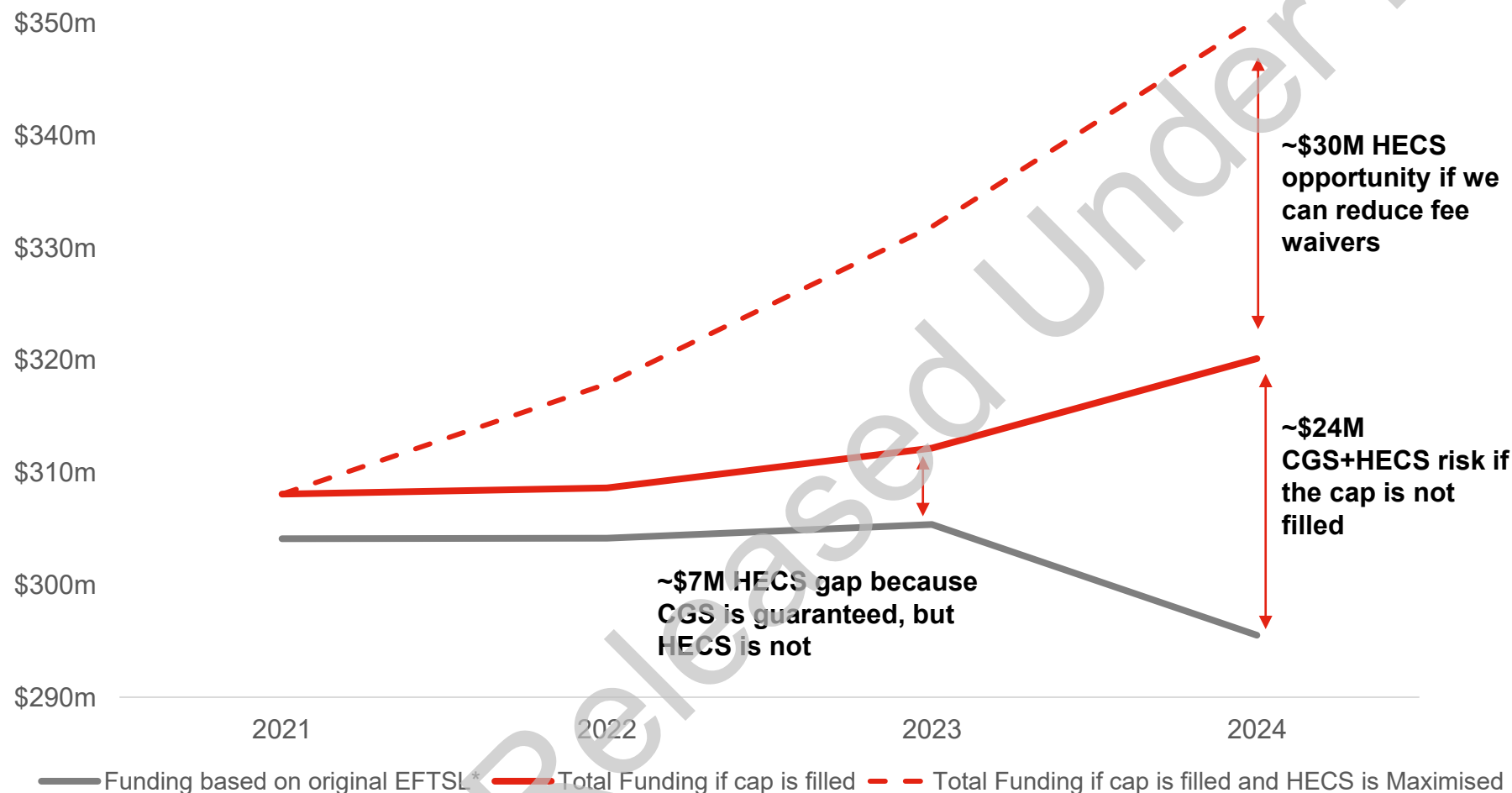


- Our approach to growing interstate core students includes:**
- **Continuing the SRP** on the mainland by targeting specific schools and areas with a history and affinity with Tasmania
  - Expand the successful digital targeting strategy to specific cohorts and interest groups that are **attracted to our distinctive courses and experiences**
  - **Transitioning our non-core offerings** into courses that attract fee paying students from the mainland

Source: Domestic Application Pipeline

# We can further grow revenue by not discounting as we have done in the past

## Potential opportunity cost of not maximising our HECS funding



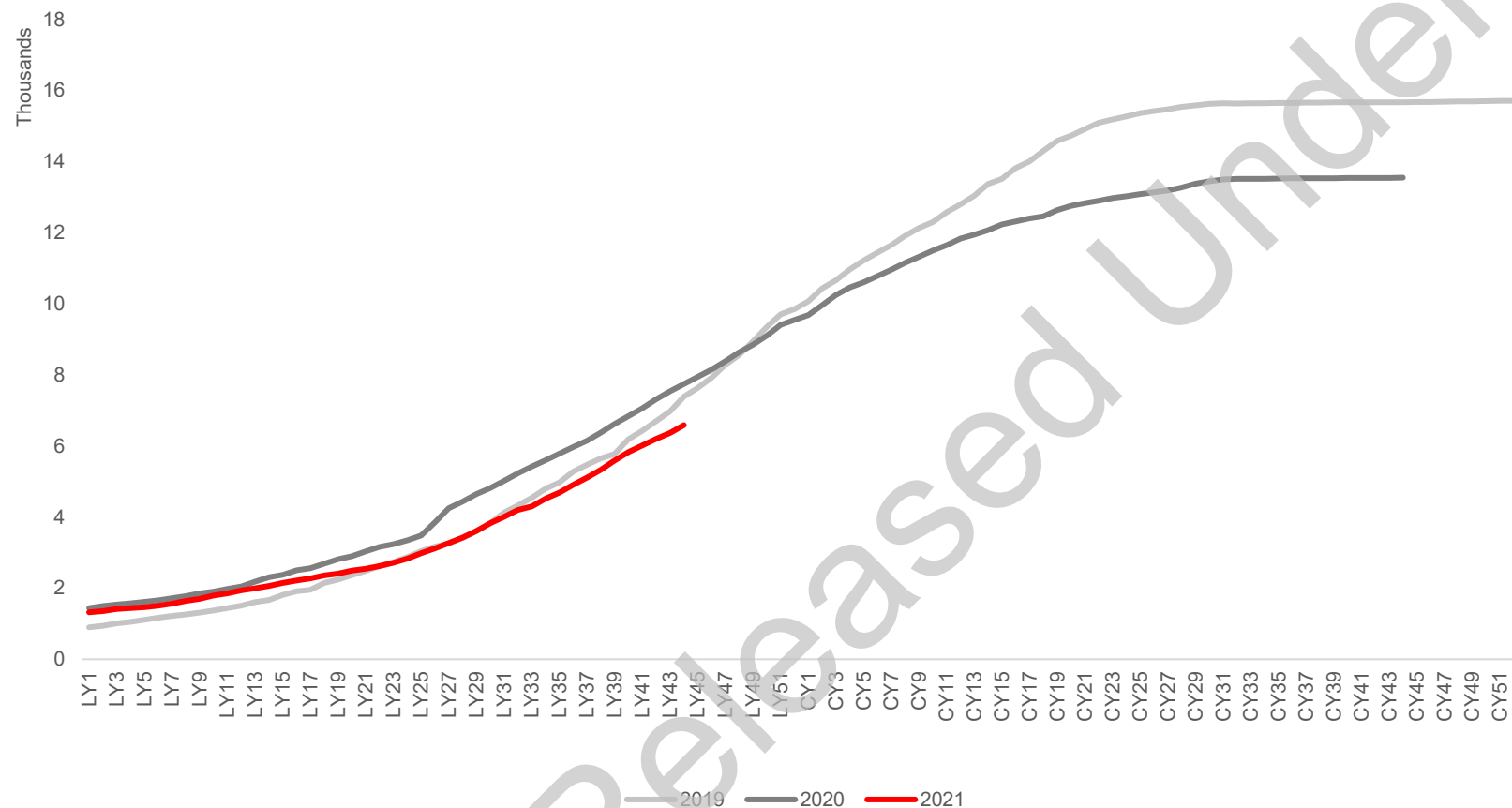
### Key insights:

- The potential **additional revenue** is \$30m by 2024 if we can reduce fee waivers to zero
- The **CGS guarantee** in the Transition Fund does give us some time to test price elasticity in the market with a safety net
- It is critically important we understand the **markets ability to absorb higher prices** by 2024



# To complete the revenue picture, international student applications have held up better than expected

Number of International applicants by week 2019 – 2021

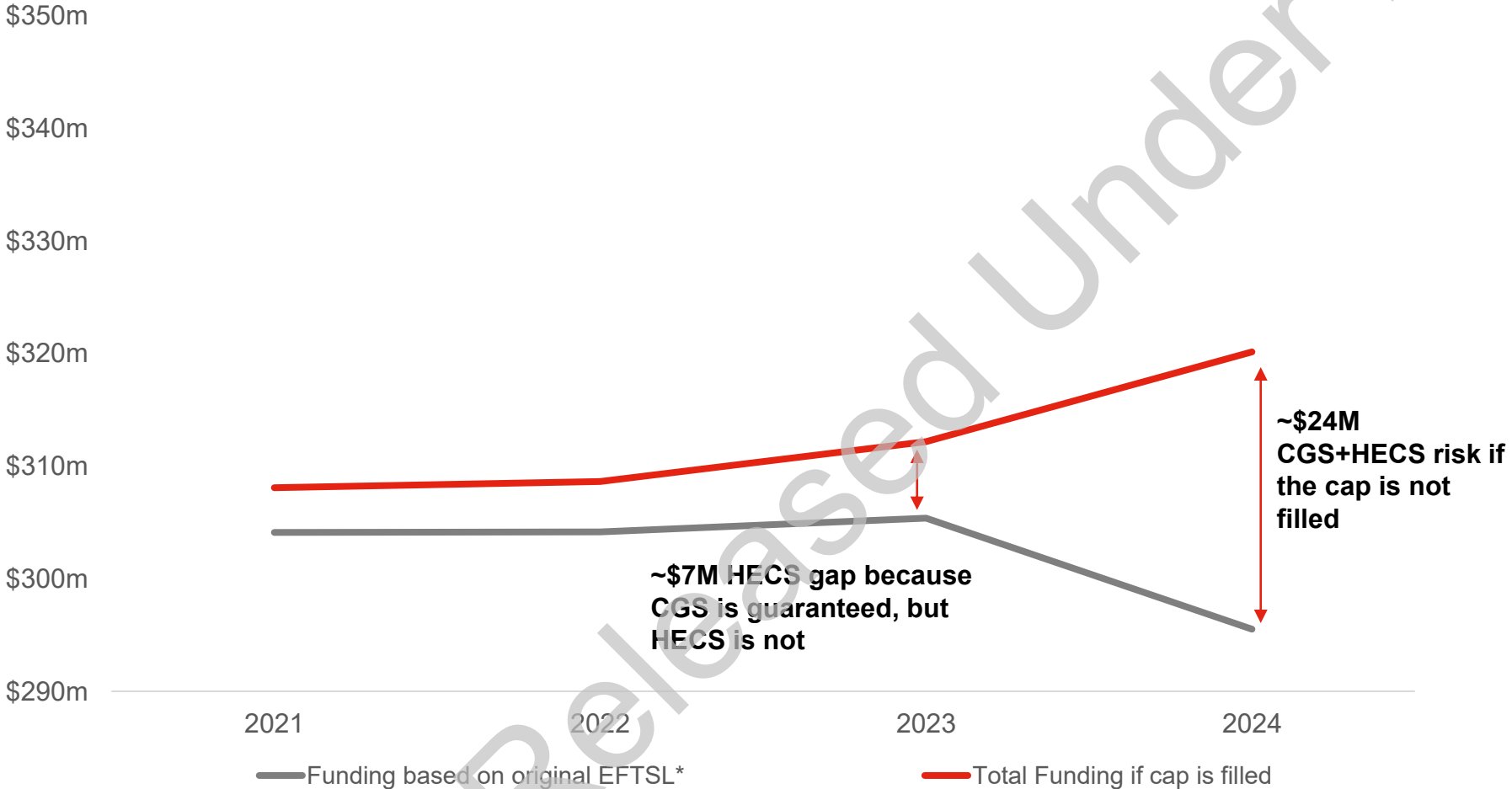


**Our approach to the international market will involve:**

- Continuing to maximise opportunities with our existing markets, products and migration markets while international travel is restricted
- Developing a **COVID international recruitment strategy** for when travel becomes possible, which will include a focus on our distinctive offerings to compliment the migration market

# However, we need to remember the risk is if we don't fill our cap, we fall off a funding cliff when the CGS guarantee and transition fund are no longer in place

Potential opportunity cost of not filling the EFTSL cap before the transition funding ceases

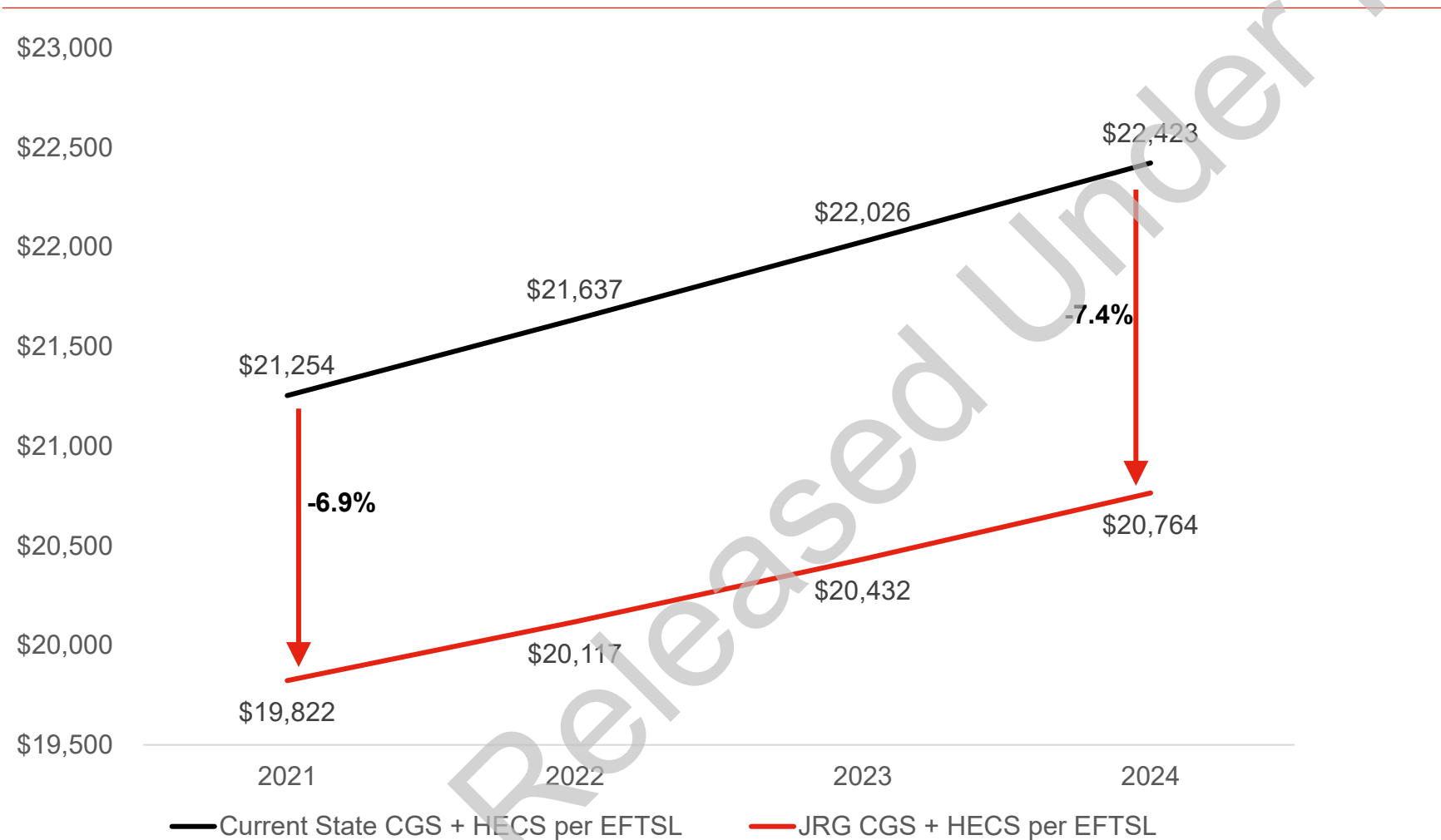


**Key insights:**

- Cessation of the transition fund at the end of 2023 means our funding will **drop by ~\$9m** if we cannot fill our cap
- We have three years to **test our markets** and make informed decisions around our pricing, in order to fill our cap

# The new funding model requires all universities to teach more students for less overall, so as we fill the cap we still need our new curriculum model to deliver more efficient teaching

Maximum Base Funding per EFTSL (CGS + HECS) \$



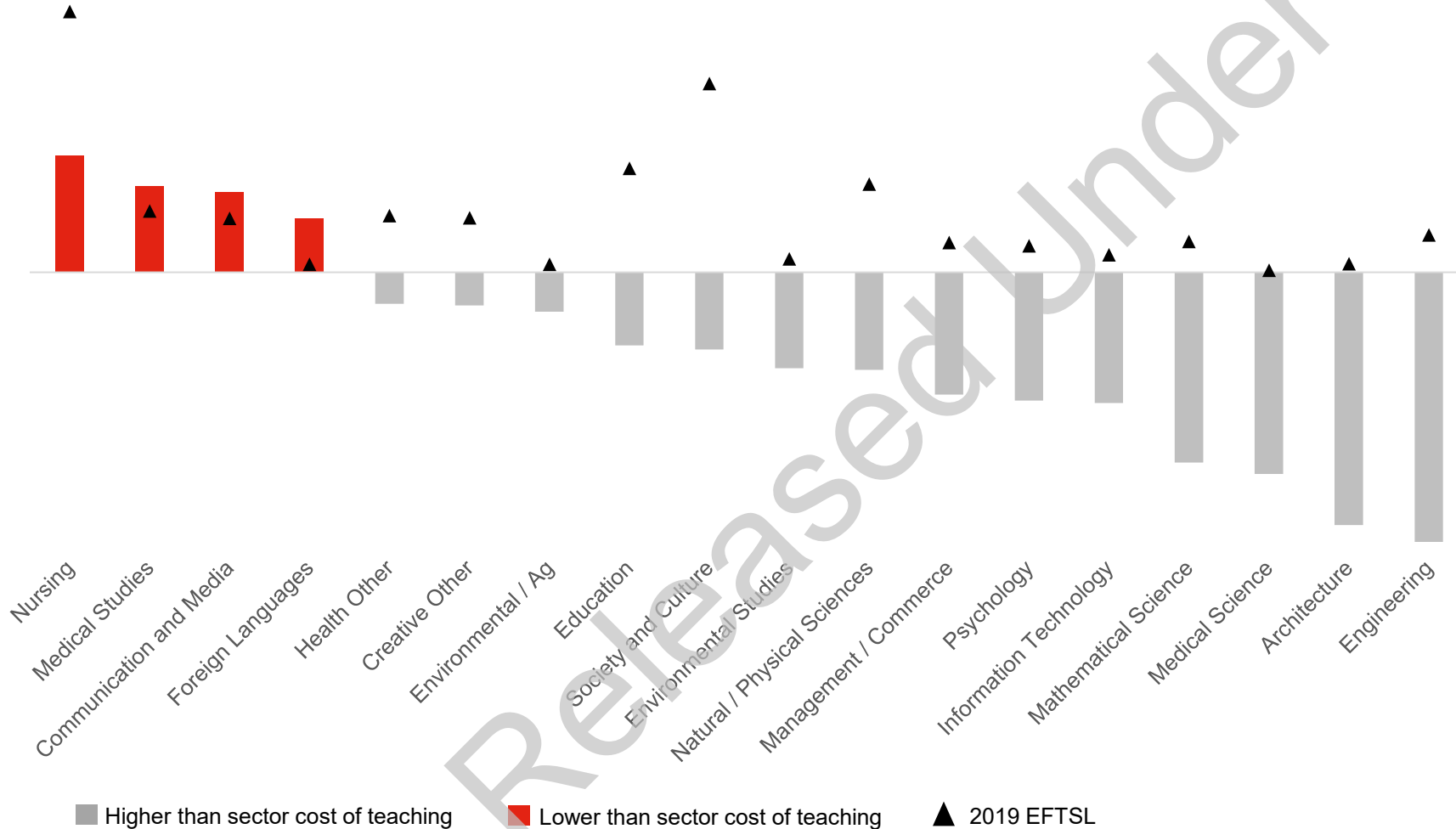
**Key insights:**

- Under the JRG package, we will receive approximately 7% less revenue per EFTSL
- The Course and Curriculum transformation project is supporting the reduction of our cost of teaching

Source: Job-ready Graduates - Higher Education Reform Package 2020

# We must ensure the cost of course delivery is not subsidised as much in particular areas, such as Society and Culture, Education, Engineering and the Sciences

University of Tasmania and Sector Cost of Teaching (2018 data in 2021) \$ per EFTSL



## Key insights:

- We have a higher cost of teaching than the sector average across **14 of 18 fields of education**
- We have significant work to do in reducing the cost of teaching, particularly in **Arts, Education, Engineering, Architecture and the Sciences**
- UTAS cost of teaching Engineering is **\$12,000 higher than the sector**, while our costs to teach Nursing are **\$4,500 lower**
- Our lower cost of teaching in Nursing is driven by high volume **Postgraduate offerings** delivered online

# To see the full benefits of the JRG package will require us to rectify the scale disadvantage we experience in Tasmania, resulting in less students per staff member compared to the sector

UTAS student to academic staff ratio (EFTSL/FTE) compared to the sector average (2018)



## Key insights:

- Our student to staff ratio is **8% lower** than the sector average
- In the sector, ANU has the lowest EFTSL to FTE ratio at 13.05 with Victoria University having the **highest ratio** of the UA universities at **32.10**
- **To achieve the scale required to be sustainable**, we need to increase our EFTSL to FTE ratio by having more students per staff member

# We will continue to focus on high quality, high impact, competitive discovery research, but significantly strengthen efforts in industry linked and regional research where new funding is being provided or being signalled

## Strengthening regionally responsive research for Tasmania

- specialist research in areas of **regional distinctiveness** and strength, targeted towards constructing regional advantage
- focus on **co-creation** of knowledge and innovation, and industrial implementation
- filtered through lenses of regional **value creation and value capture** e.g. Launceston Institute: research impact focused on regionality and industry distinctiveness

## Enabling mission integrated research for and from Tasmania

- research that makes a **national or international contribution**
- focus on areas that are distinctive to Tasmania and hard to **replicate elsewhere**
- mobilises whole of university capability into an integrated ecosystem to make an impactful contribution e.g. Antarctic and Southern Oceans **mission integrator**

## Continuing discovery research for and from Tasmania

- continue fundamental, discovery research, some of which will form a pipeline for future **industry linked** research

# We have refined our strategic plans to focus on creating impact and achieving sustainability

## We have made progress across key areas of impact and sustainability

- There is evidence that the University can improve outcomes for Tasmania, and we are making sure we can measure that impact.
- Some of our COVID responses have been critical to the State
- Our projects to create a more sustainable University have made a lot of progress this year

## The changing landscape of 2020 has crystallised three key challenges in delivering our impact and operating sustainably

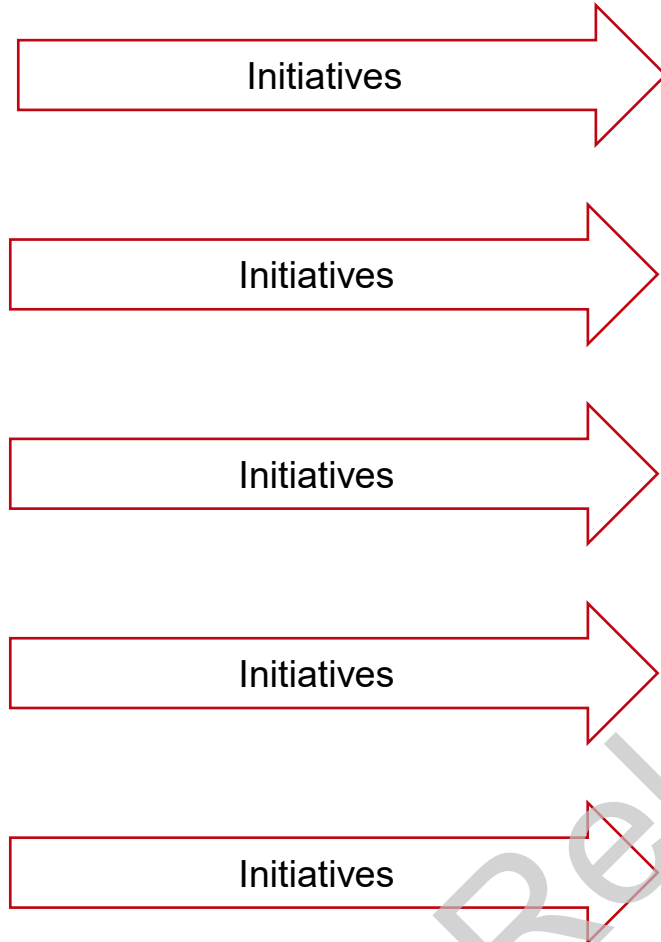
- Tasmania still has significant challenges across the six outcome areas and COVID19 is entrenching disadvantage
- Some of our highest priorities are still not getting the traction and commitment needed to realise our mission
- The Job-Ready Graduates Package establishes a new funding model for universities

## We have refined our strategic plans to focus on delivering impact and achieving sustainability

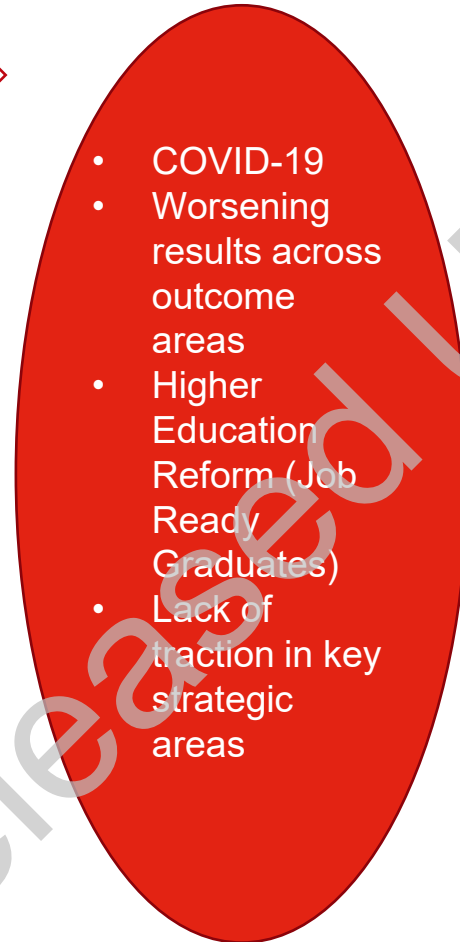
- College plans now have a direct link to where they will make an impact for and from Tasmania
- We will adopt a whole-of-university mission integration model for delivery
- We are focussing our strategies to enhance revenue and manage costs
- We are establishing plans to bring our students and staff back to campus in 2021

# Colleges and Divisions have refined and focussed their strategies and initiatives to make an impact and achieve sustainability

## 2019 Strategy



## Challenges we faced in 2020



## Creating an Impact



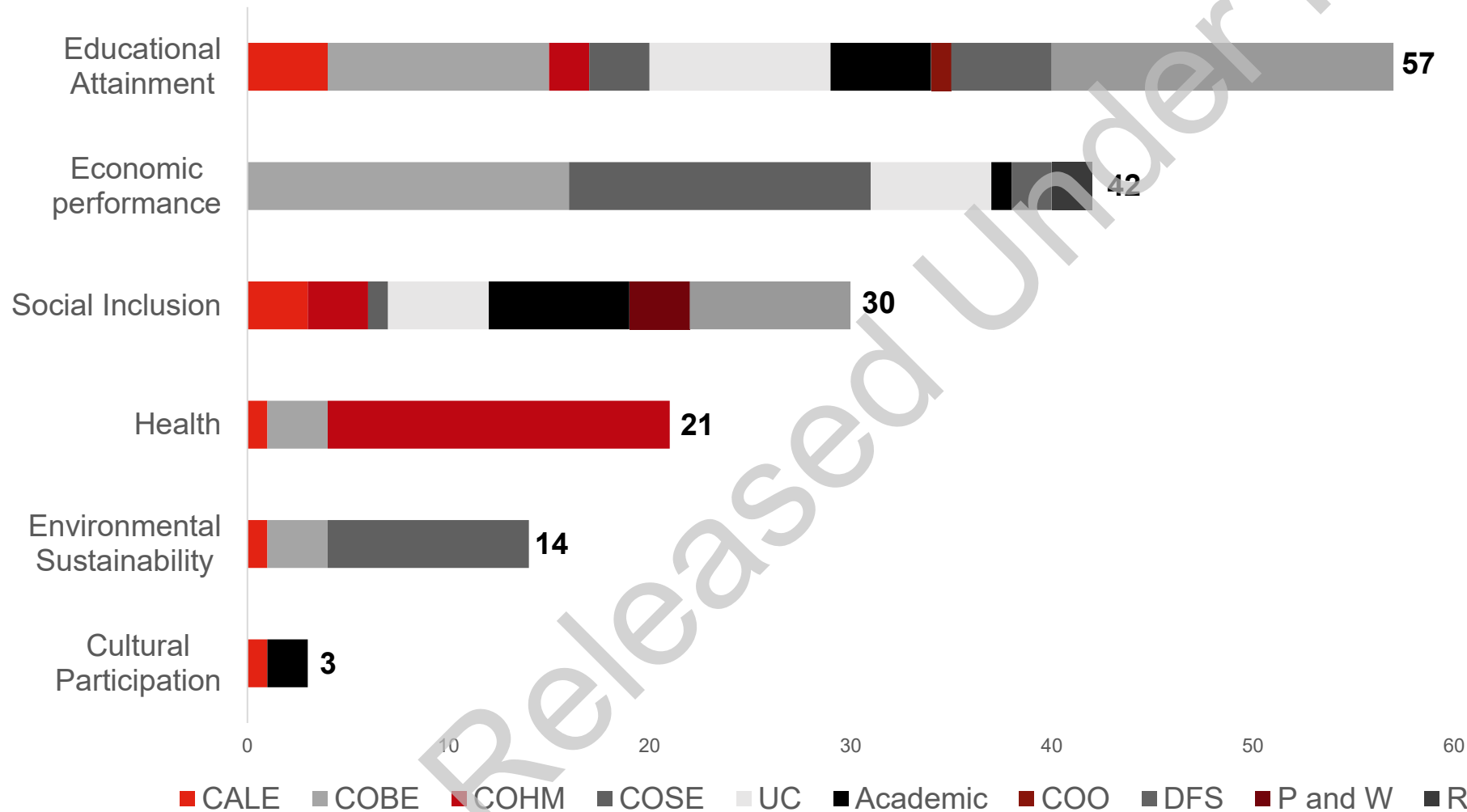
## Creating a sustainable university





# Our refined initiatives have a focus across the impact areas demonstrating our civic commitment

Number of Outcome focussed Initiatives by Area (Initiatives can map to up to 2 measures)

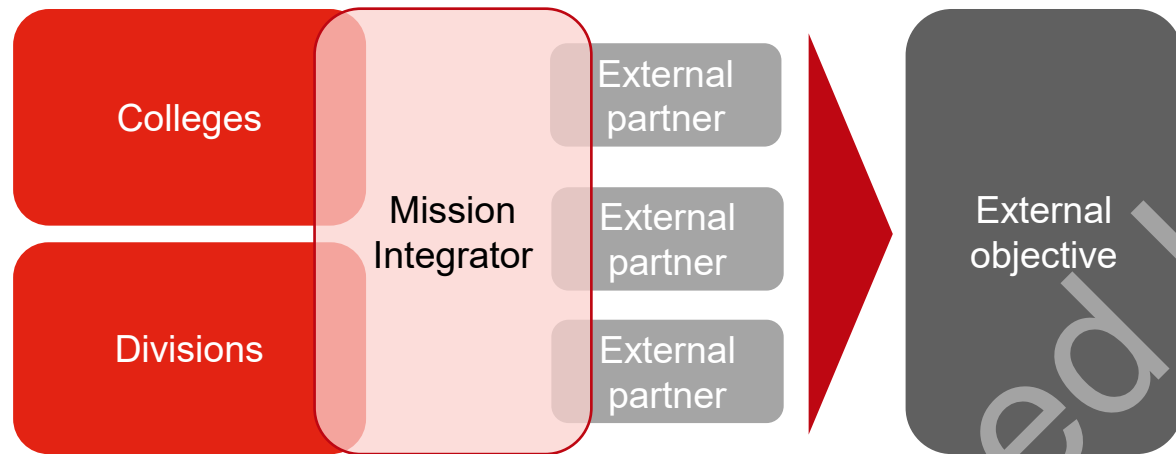


## Key insights:

- Colleges impact upon most outcome categories whilst the divisions have more of a focus within their area of expertise
- Effort to raise **educational attainment** of the state is the area we have the most initiatives to make an impact
- We also have a **strong focus on improving Economic Performance**, primarily driven by COBE, COSE and UC

# To effectively achieve some of our highest priorities, we will adopt a whole-of university Mission Integration model for delivery, starting with the Antarctic and Southern oceans and environmental sustainability

## Mission integration – co-ordinated approach



Colleges and Divisions contribute in a co-ordinated way through a Mission integrator. The Mission Integrator oversees the internal and external needs to most effectively deliver the external objective

- Responsibility and ownership of the mission will be embedded through the **co-design and delivery** of the strategy and initiatives
- Mission integration networks will be established, with **representatives from all relevant Colleges and Divisions** forming a committee, and led by a mission integrator leader
- The mission integrator leader will **track, measure and report progress** of delivering the external objectives

# There are four key characteristics that must be in place before a topic can be identified as a Mission Integrator

## Definition

A Mission Integrator is a defined committee or collective that delivers specific, **strategically important, external objectives that span the University**

## Necessary characteristics

Opportunity will allow us to deliver on our strategy

**Is a top priority for the University**

**Is externally focussed**

External opportunity arises that the University should deliver on

Opportunity requires an institution-wide response to fully succeed

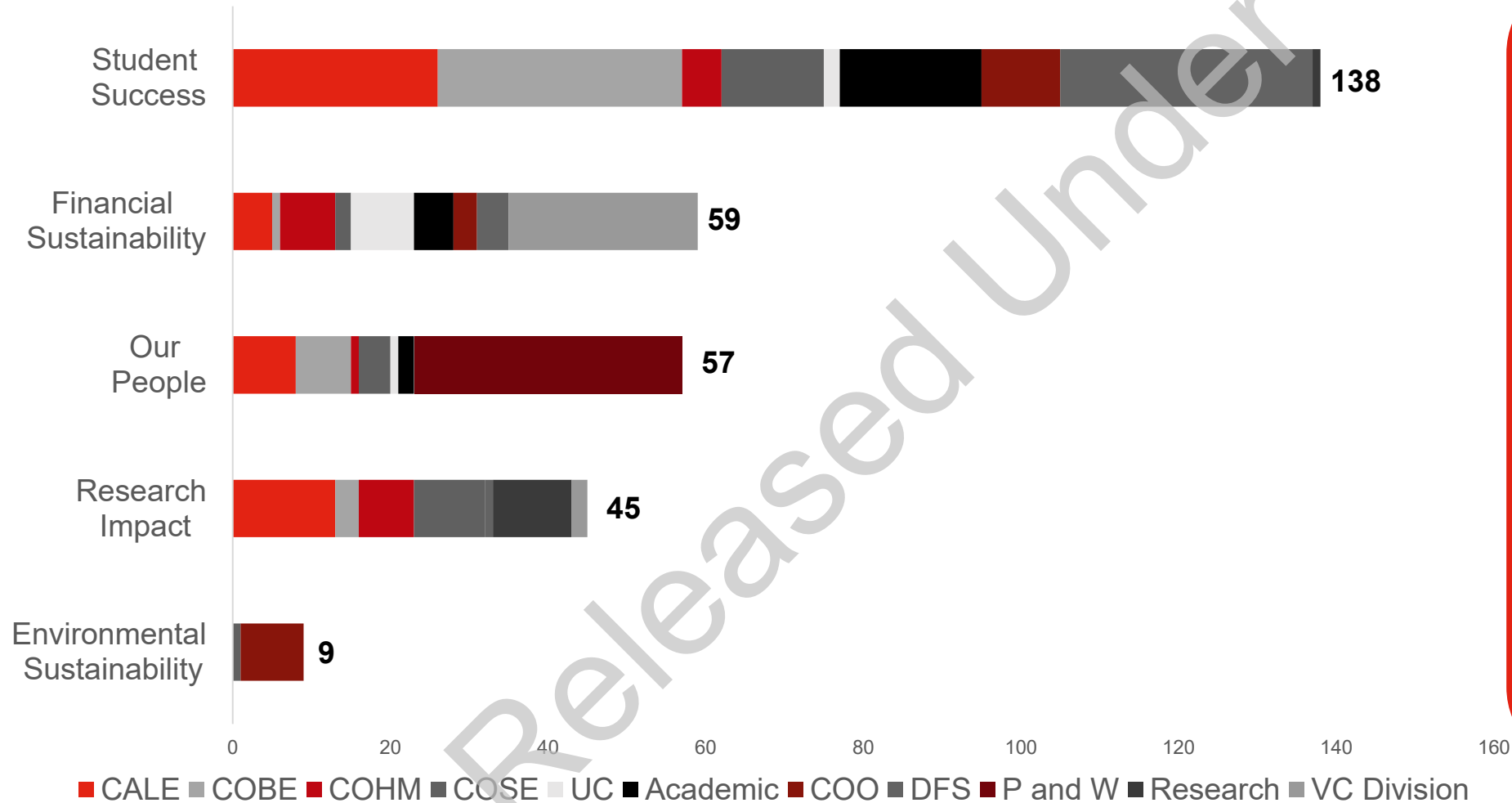
**Spans the University**

**End user objectives clearly defined**

External partner mission is understood and align with the University's

# We will create sustainability through initiatives focussed primarily on Student Success, improving Financial Sustainability and ensuring we have the right workforce

Number of Sustainability focussed Initiatives by Area (Initiatives can map to up to 2 measures)



## Key insights:

- The primary sustainability objectives of **increasing our student success and our financial sustainability** are shared across the institution
- The new strategy from **People and Wellbeing** has ensured a stronger focus on ensuring we have the **right culture, and workforce**, to achieve our objectives
- The Mission Integration approach for the environment has helped the focus on Environmental Sustainability initiatives

# We put students at the centre of our efforts, shifting the focus and culture to create a sector-leading experience, while supporting workplace flexibility

## Our 'COVID model' principles:

We will be an on campus university, with digital support

Student experience will always be at the centre of our model

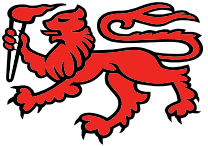
We will provide a positive student experience while achieving staff flexibility, where possible

Budget and space will be made available where it creates active engagement that reconnects our students in purposeful ways

COVID safe means 1.5m distance between each person and additional hygiene practices

# Agenda

<b>Time</b>	<b>Topic</b>
8.45am – 10.30am	Strategic context
10.30 – 10.45am	Morning tea
10.45 – 1.00pm	College and Division presentations
1.00 – 1.45pm	Lunch
1.45 – 2.30pm	College and Division presentations (cont)
2.30 – 3.00pm	Mission Integrators (Antarctic and Sustainability)
3.00 – 3.45pm	University Finance
3.45 – 4.00pm	Wrap up



UNIVERSITY of  
TASMANIA

# 2021 Budget Update

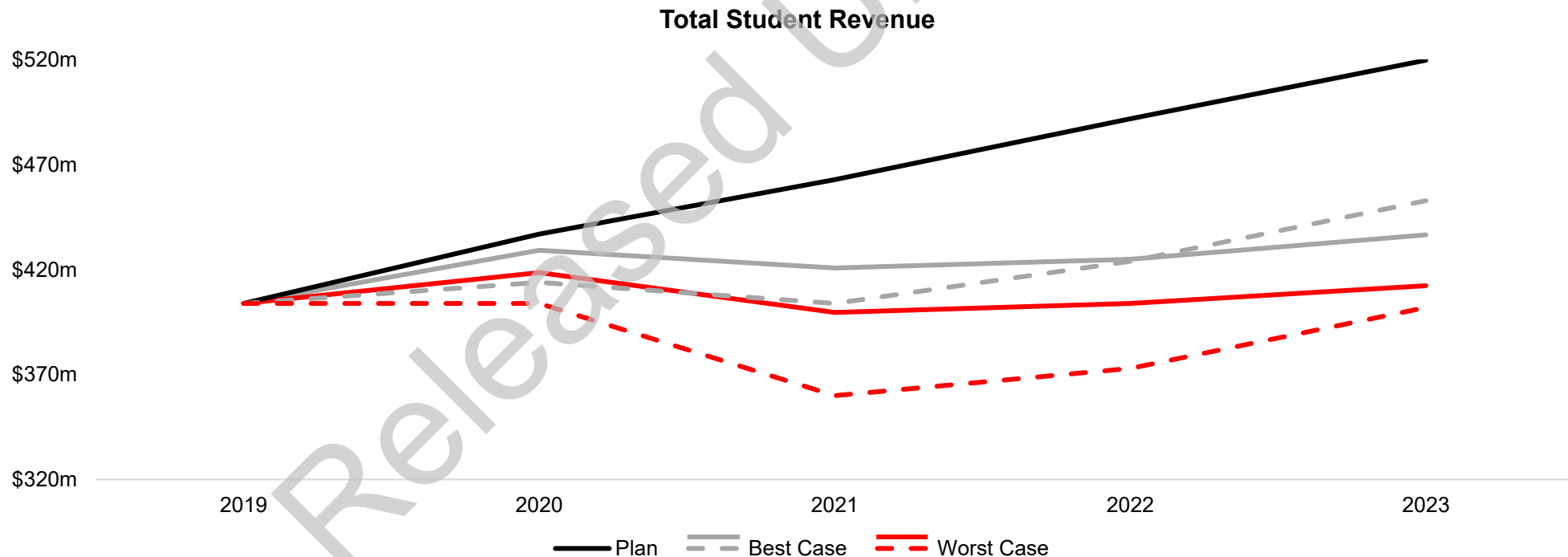


Released Under RTI

# In response to COVID-19, challenging revenue scenarios were modelled since then the domestic revenue picture has improved with load growth and the JRG transition fund

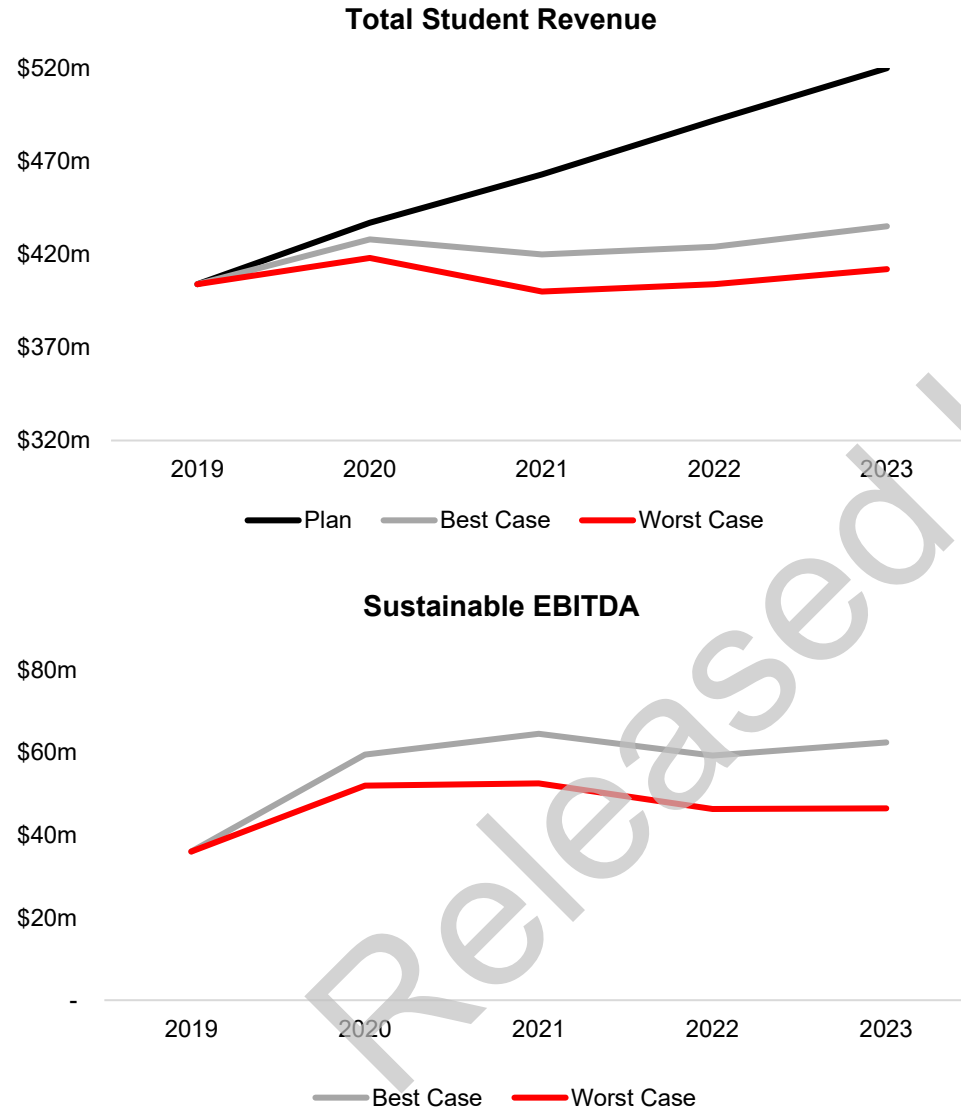
## Revenue Losses:

Projections - \$220m - \$300m over four years  
2021 in line with best case scenario as JRG transition reduces downside risk





# While the revenue outlook has improved, to achieve a sustainable EBITDA the need remains to deliver significant savings



## Savings initiatives required:

- 1. Resourcing Target**  
 \$30m - \$40m in 2021
- 2. Other Expenses Target**  
 \$25m - \$30m in 2021
- 3. BAU Capital**  
 \$20m per year, \$15m reduction

# Savings Initiatives

1.

## Resourcing Target

\$30m - \$40m in 2021

- 10% Academic salary savings  
(Floor - 7.5% in 2020 and 2.5% in 2021)
- 15% Professional salary savings  
(Floor - 10% in 2020 and 5% in 2021)

2.

## Other Expenses Target

\$25m - \$30m in 2021

3.

## BAU Capital

\$20m per year, \$15m reduction

# 2021 resourcing target \$30m - \$40m achieved with \$33.3m saved net of investments

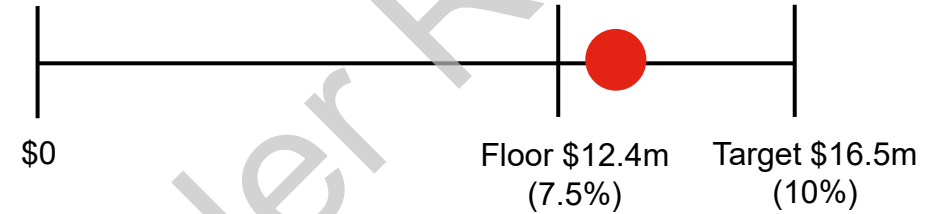
## Resourcing changes supported through Institutional Programs:

- Course and Curriculum
- Working Better
- Research Impact

## Resourcing changes achieved through a number of levers:

- Voluntary Redundancies
- Enterprise Variation
- Early Retirements
- Active Vacancy, Fixed Term and Casual Management

### Academic savings \$12.9m (8%)



### Professional savings \$20.4m (12.1%)



### Consolidated savings \$33.3m (10%)

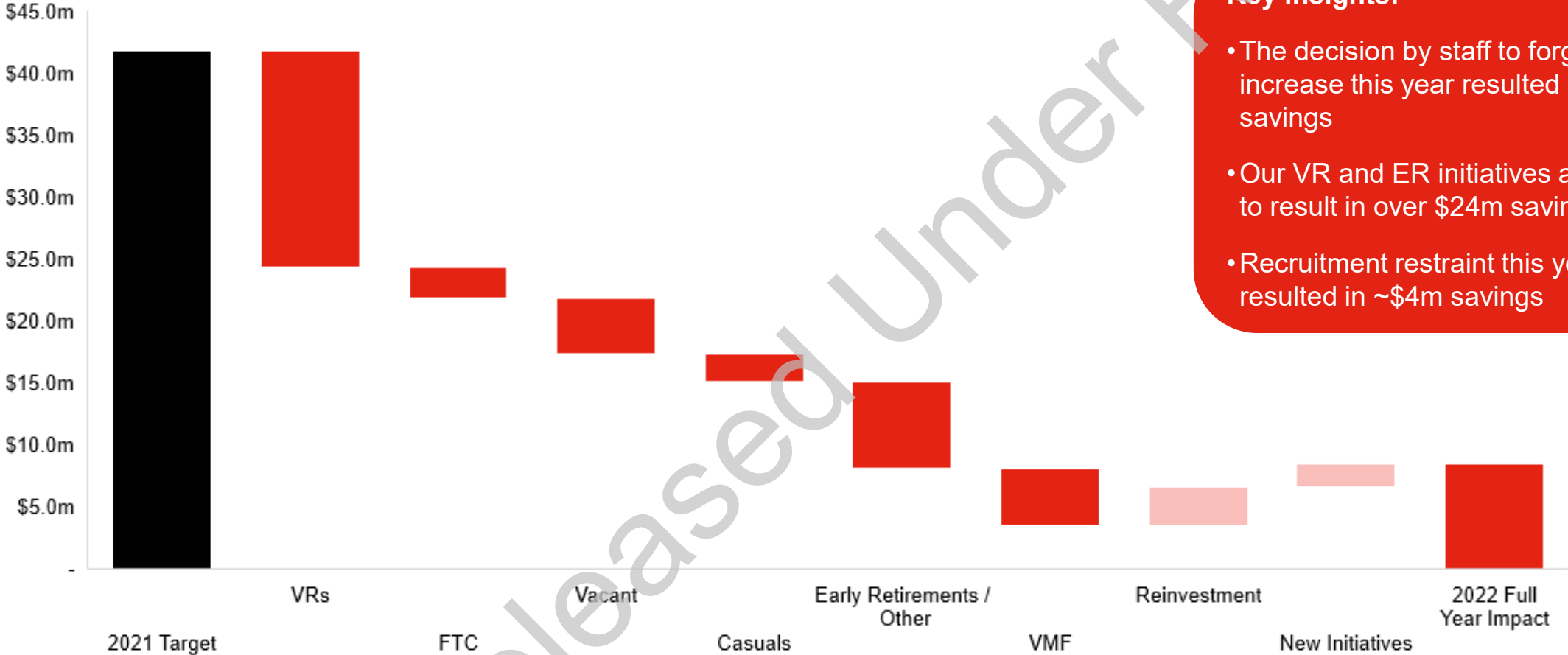


Includes Investment in Allied Health and International Business School

Enables redesign of work and investment in People & Wellbeing

● 2021 Savings Outcome

# The work we have done this year to shape our people profile has us well positioned to be sustainable into 2021



**Key insights:**

- The decision by staff to forgo their pay increase this year resulted in \$3.5m savings
- Our VR and ER initiatives are expected to result in over \$24m savings
- Recruitment restraint this year has resulted in ~\$4m savings

✓  
On track for 2021

VRs – Voluntary Redundancies  
 FTC – Fixed Term Contracts  
 VMF – Vacancy Management Factor (1.5%) – assumed savings from staff turnover

# Savings Initiatives

1.

## Resourcing Target

\$30m - \$40m in 2021

- 10 % Academic salary savings  
(Floor - 7.5% in 2020 and 2.5% in 2021)
- 15% Professional salary savings  
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## Other Expenses Target

\$25m - \$30m in 2021

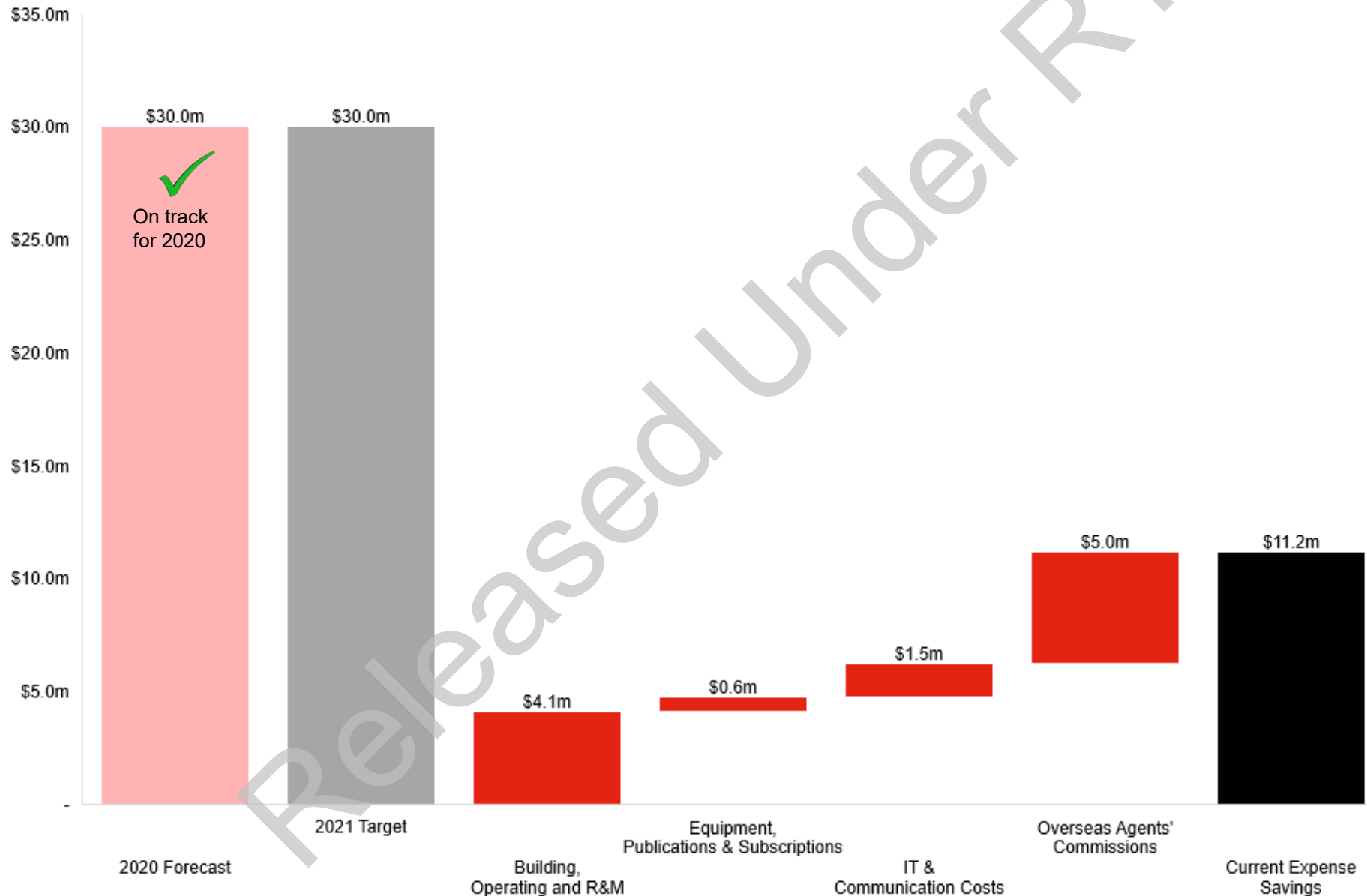
- Focus on categories of spend
- Contestable spend savings
- Other savings – supported with UET agreed targets

3.

## BAU Capital

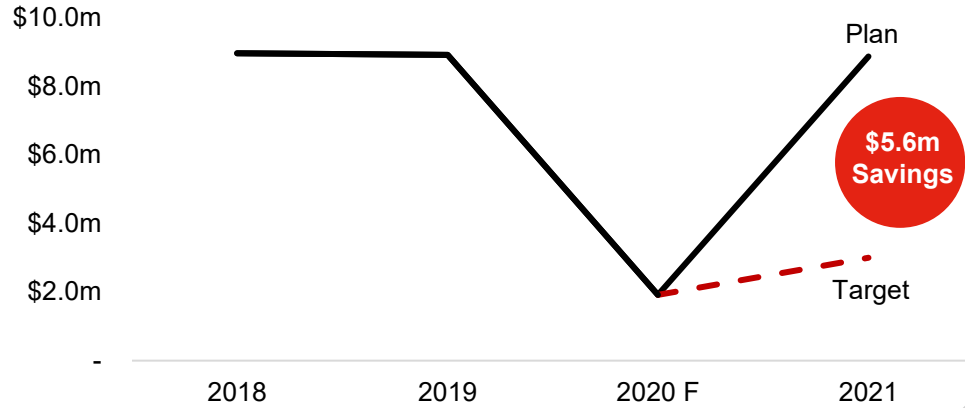
\$20m per year, \$15m reduction

# Operating Expense savings target for 2021 is \$30m, \$11.2m currently identified within major spend categories



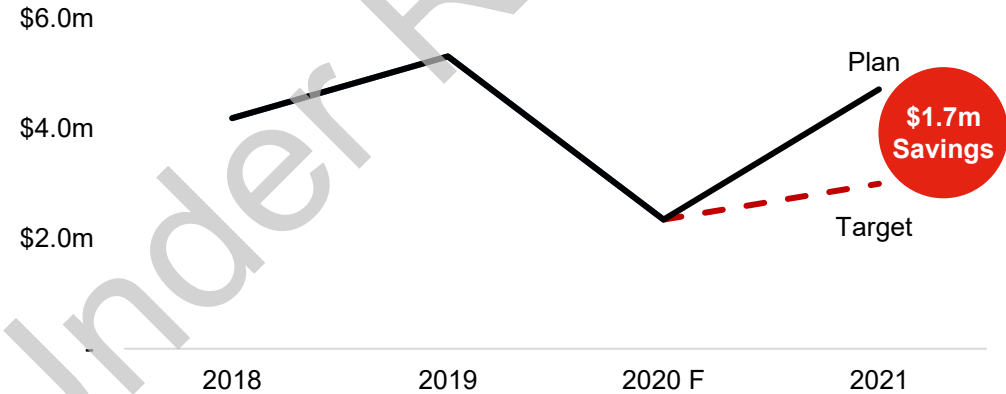
# Other savings initiatives - targets agreed at UET

## Travel & Related Costs



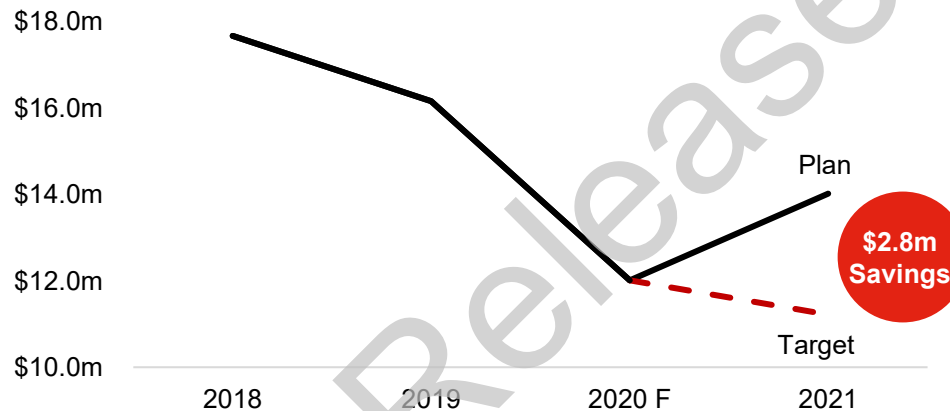
No international travel, significantly less domestic travel

## Training & Employment Costs



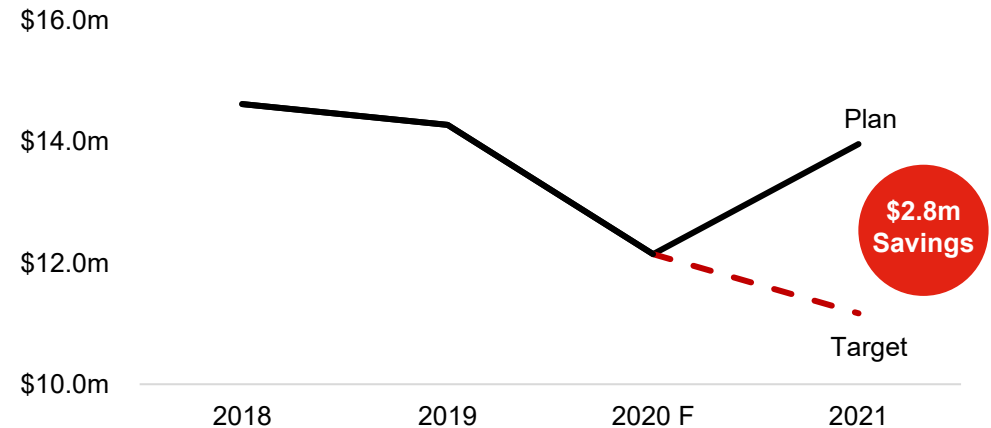
Utilisation of in-house and on-line training, reduced employment costs (recruitment & relocation)

## Professional & Advisory Costs



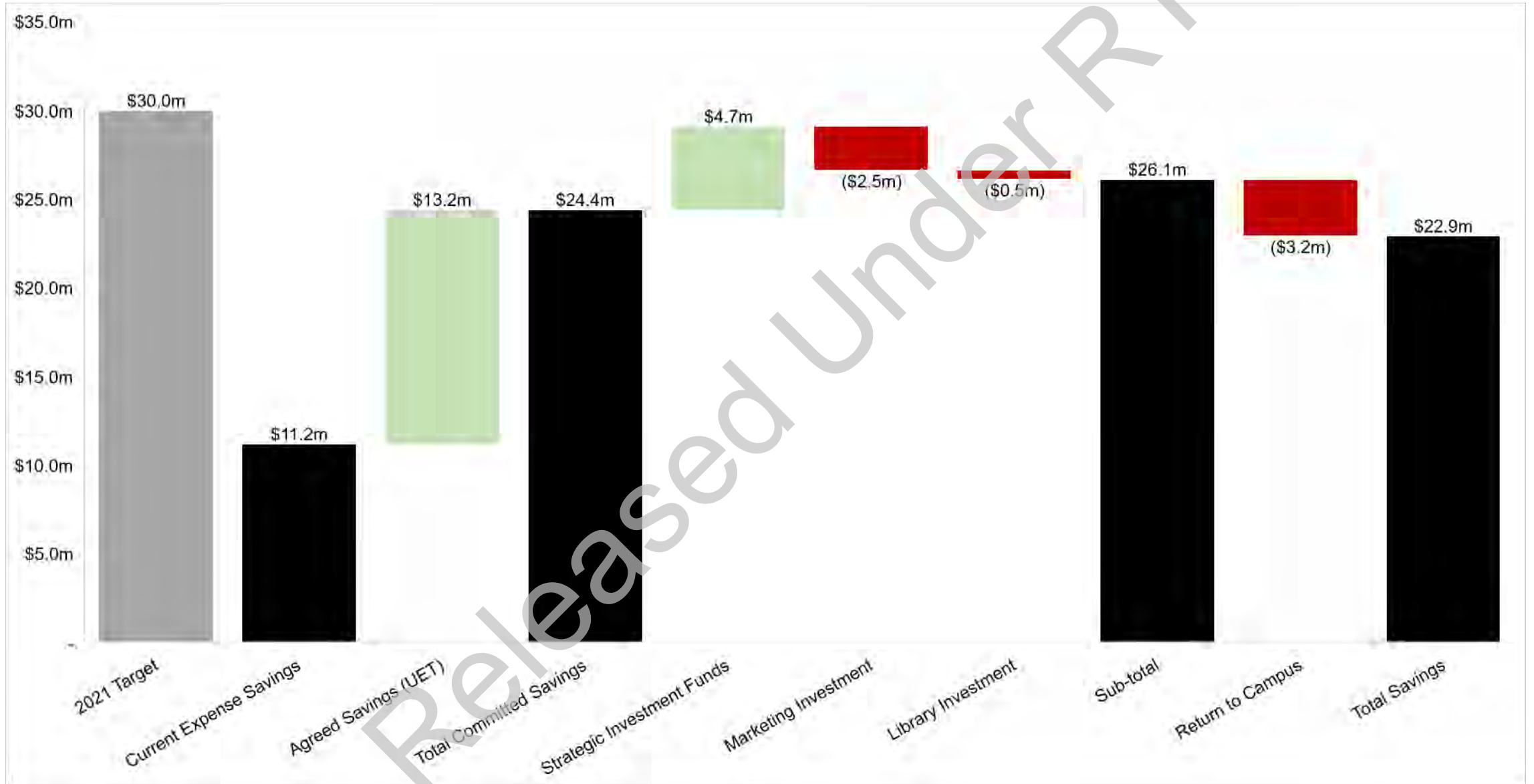
20% overall reduction of 2021 Plan

## Other Expense Costs



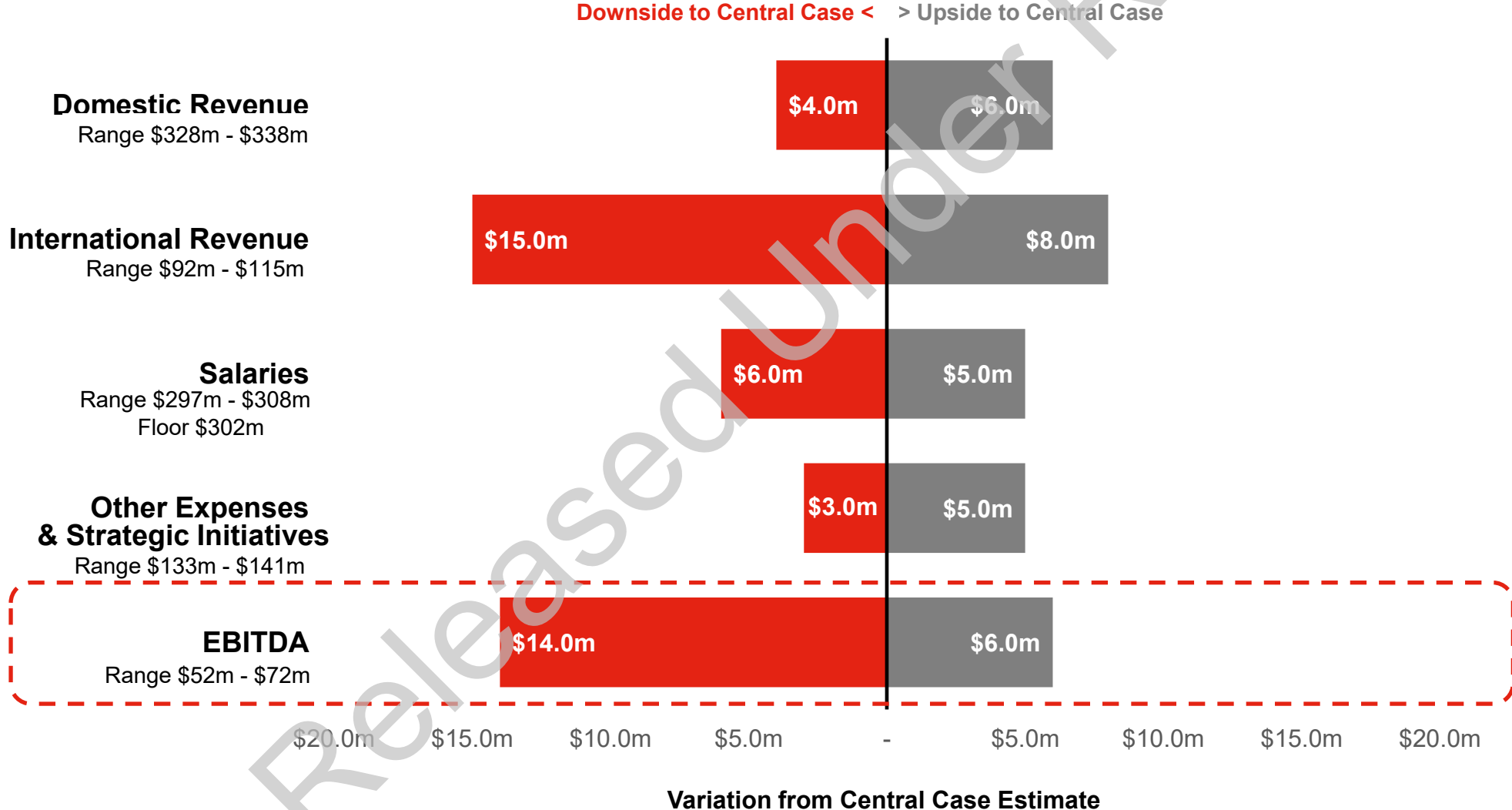
20% overall reduction of 2021 Plan

# The target range of \$25m - \$30m requires the delivery of the travel, training, professional advisory and other targeted savings of \$13.2m





# 2021 tracking towards a financially sustainable EBITDA with the significant risk remaining within international revenue



EBITDA to fund BAU Capital, Northern Transformation and restructuring costs (est.~\$13m + accrued leave)

# Savings Initiatives

1.

## Resourcing Target

\$30m - \$40m in 2021

- 10 % Academic salary savings (Floor - 7.5% in 2020 and 2.5% in 2021)
- 15% Professional salary savings (Floor - 10% in 2020 and 5% in 2021)

2.

## Other Expenses Target

\$25m - \$30m in 2021

- Focus on categories of spend
- Procurement Savings
- UET agreed targets

3.

## BAU Capital

\$20m per year, \$15m reduction

- Process on track
- Strategic prioritisation will be the focus

# BAU Capital 2020 and 2021 to be held at \$20m

<b>\$M</b>	<b>2020 Forecast</b>	<b>2021 Estimate</b>
Infrastructure Services & Development Projects	5.7	4 - 6
Information Technology Services Projects	8.5	4 - 6
Research Infrastructure Projects	4.9	4 - 6
Projects < \$300k*	0.8	2 - 3
<b>Total BAU</b>	<b>20.0</b>	<b>20.0</b>

\* College/Divisional discretionary spend less than \$300k

2021 work currently underway with focus on strategic prioritisation for each area and ensuring envelope remains \$20m

The above 2021 picture does not include PBSA2 \$8.0m or North, \$90m less 2021 grants of \$80m



## Tasmanian Public Finance Corporation

Level 1, 114 Murray Street Hobart Tasmania 7000  
GPO Box 1207 Hobart Tasmania 7001  
Phone (03) 8396 1200 Intl 61 3 8396 1200  
Fax (03) 9086 4195 Intl 61 3 9086 4195  
ABN: 75 403 768 119

23 December 2020

Hon Peter Gutwein MP  
Treasurer  
Level 11, Executive Building  
15 Murray Street  
HOBART TAS 7000

Dear Treasurer

### University of Tasmania Borrowing Request

I write to you at the request of the TASCORP Board.

The University of Tasmania (UTAS) currently has a borrowing limit with TASCORP of \$125 million until 30 June 2023 with an additional \$75 million of overnight working capital. UTAS has sought an additional \$200 million and a term extension of current borrowings beyond 2030 to support its capital expenditure program [REDACTED].

The Board has considered the University's request. [REDACTED]

[REDACTED] Given these concerns, the Board is not prepared to approve UTAS' borrowing request on a stand-alone basis.

UTAS requires your approval under the *University of Tasmania Act 1992* in order to borrow the amounts requested. Therefore, the Board has asked TASCORP staff to work with the Department of Treasury and Finance to ensure a comprehensive review is undertaken of the UTAS proposal, to assist your consideration of the proposal.

A final recommendation from TASCORP management will be considered by the Board following your determination.

Yours sincerely

Tony Ferrall  
Chair

## **Borrowing Limit Background**

The University of Tasmania (the University) requires the Treasurer's written approval to borrow money under section 7(2) of the *University of Tasmania Act 1992* (the Act).

Since mid-2019 the University has submitted a number of requests to alter its borrowing facilities in order to progress the capital works proposed as part of its Strategic Plan for the period 2019 to 2024. These requests have included increases to the University's overnight, medium and long-term borrowing facilities.

### **Long-term borrowing facility increase**

On 18 December 2019 the University wrote to you seeking approval for a \$300 million long-term borrowing facility by 30 June 2020. This request marked a \$100 million increase to its existing borrowing facility limit.

The \$300 million long-term borrowing facility was requested to provide funding before construction commenced for Phase I of the Southern Infrastructure Project (SIP), specifically being the Science, Technology, Engineering and Mathematics (STEM) and Library developments.

On 6 February 2020 you wrote to the University, referring back to the recommended framework for future borrowing requests and requested the following information to enable you to make a decision:

- a business case in support of the increased borrowing;
- year ended 31 December 2019 financial statements;
- an updated 2020 operating budget;
- updated long term financial forecasts reflecting revised funding strategy;
- sensitivity/scenario analysis covering key risks; and
- full details of existing borrowings and other debt like obligations.

In line with the recommended framework, you also requested the University obtain and maintain on an annual basis a stand-alone credit assessment from an approved rating agency. The University subsequently expressed concern with the time a stand-alone credit rating would take to complete, and you agreed that you would consider the request on the grounds that the University provided evidence that it had engaged an approved rating agency.

Owing to the impact of COVID-19, no further information or correspondence was received from the University in relation to this long-term funding request.

### **COVID-19 Government guarantee**

In March 2020 you provided a guarantee to the Tasmanian Public Finance Corporation (Tascorp), which provides assurances in lending to any participating authority, including the University, to support cash flow and other funding needs related to COVID-19, including the need to implement Government policy responses to COVID-19. The University was subsequently informed of this guarantee for its end of year reporting requirements.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

### **Current situation**

On 6 October 2020, the University wrote to you seeking approval for a \$200 million increase to its borrowing facility limit (to equal \$400 million). The University also raised the potential for an increase to the Government's guarantee under the COVID-19 borrowing arrangements. The University is seeking approval in the first quarter of 2021.

The University currently has a borrowing facility limit of \$125 million, with an additional \$75 million of overnight working capital. The \$200 million increase in borrowings is requested in order to progress work as part of the SIP.

In your response on 28 October 2020, you once again referred the University to the recommended framework for future borrowing requests, and requested the following information in order to fully consider the University's request:

- a business case in support of the borrowing limit;
- financial performance for the 2020 financial year to date;
- a 2021 operating budget;
- updated long term financial forecasts reflecting the revised funding strategy;
- sensitivity/scenario analysis covering key risks; and
- full details of existing borrowings and other debt like obligations.

You also requested a copy of the University's engagement letter with an approved rating agency, noting its previous commitment to obtain a stand-alone credit rating.

The University replied on 5 November 2020, committing to provide the information requested to Treasury, as well as to Tascorp, by the end of the month.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Noting that the University requires your approval under the Act,

[REDACTED]

### **Southern Infrastructure Project: Treasury Analysis**

The following analysis has been prepared by Treasury after conducting a review of the supporting information and financial model provided by the University on 16 December 2020.

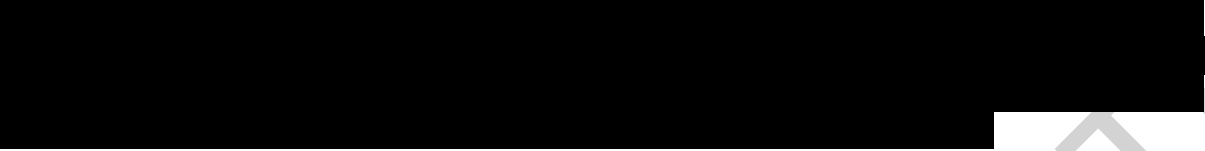
Treasury has engaged with the University to clarify information and key assumptions. Treasury has also consulted with Tascorp.

Treasury is unaware of the level of consultation and stakeholder engagement the University's proposal has been subject to beyond Tascorp's involvement.

The analysis has been prepared to assist your consideration of the University's request, focusing on high-level issues, risks and model assumptions.

## Context


The SIP forms part of the University's forward Strategic Plan. It is a key component of the campus transformation plan, which as a whole comprises an estimated \$1 billion of new infrastructure at Cradle Coast, Launceston and Hobart, and the relocation of facilities into Tasmanian CBDs.



The SIP is also part of the Hobart City Deal, which includes a commitment from the Commonwealth, State and Local Governments to support the relocation of the southern campus as part of its focus on developing Hobart as a smart, liveable and investment-ready city.

## Governance

The University Council is the governing body of the University, and is established under the Act. The University Council is accountable for investment decisions.



In December 2020 the University Council endorsed the \$200 million increase to its borrowing facility limit to deliver the SIP.

## Project costs and funding

The SIP is expected to relocate the Sandy Bay campus into the Hobart CBD in three stages:

- Stage 1 - activating vacant sites;
- Stage 2 - refurbishing existing buildings; and
- Stage 3 - developing new facilities.



[Redacted]

[Redacted]



[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

To date, the University has acquired all the relevant land and properties in the Hobart CBD to progress the project.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

### **Domestic Students**

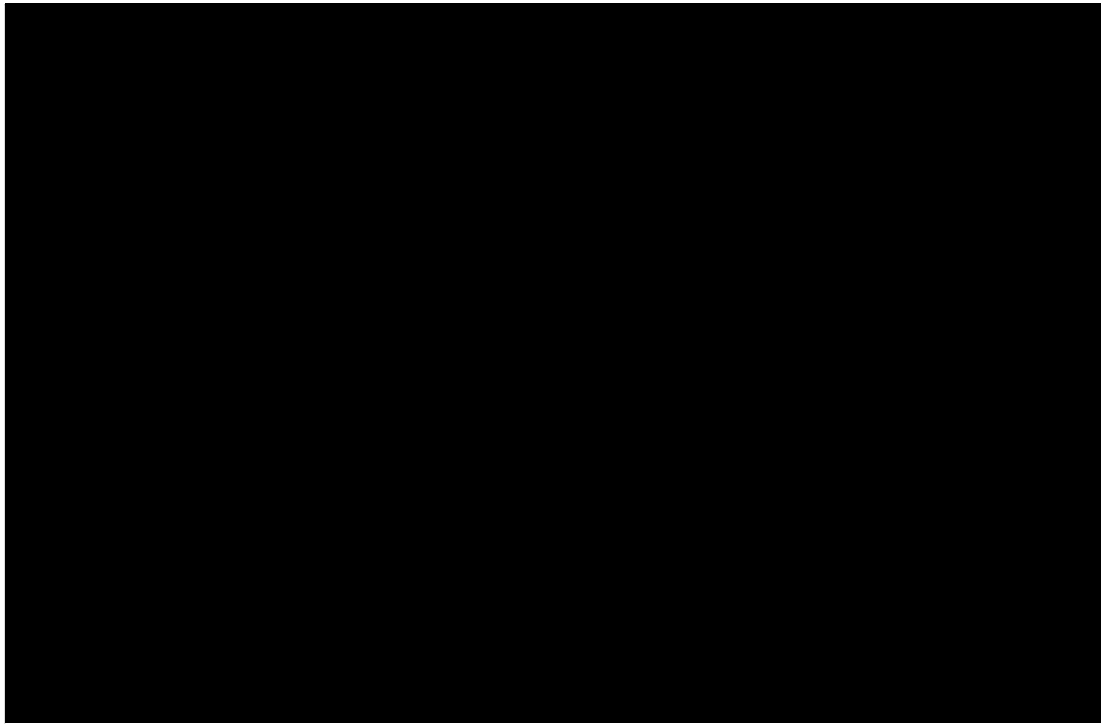
#### *Changes to funding arrangements*

Commonwealth funding arrangements form the basis of revenue generated by domestic student numbers. The funding arrangements have recently changed from the Commonwealth Grant Scheme to the Job-ready Graduates (JRG) Package.

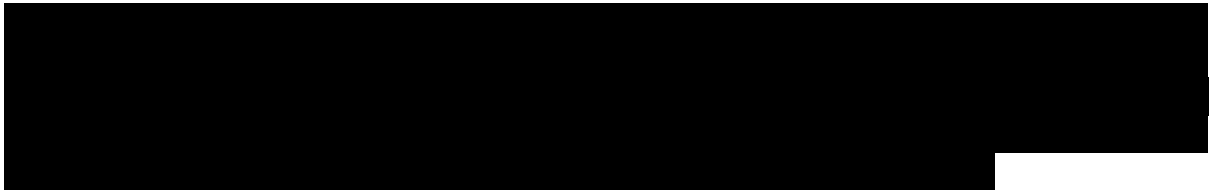
[REDACTED]

The University will be transitioning to the JRG Package over the next three years

[REDACTED]



In response to COVID-19, the Commonwealth Government has also implemented the Higher Education Continuity Guarantee in 2021.



*Student Growth*



[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

***International Students***

[Redacted text block]

[Redacted text block]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

---

<sup>1</sup> [REDACTED]

**Cost efficiencies**

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted text block]

[Redacted]

***Earnings before interest, tax, depreciation and amortisation***

[Redacted]

[Redacted]

[Redacted]

***Investment income***

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**Property Co**

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**Capital expenditure**

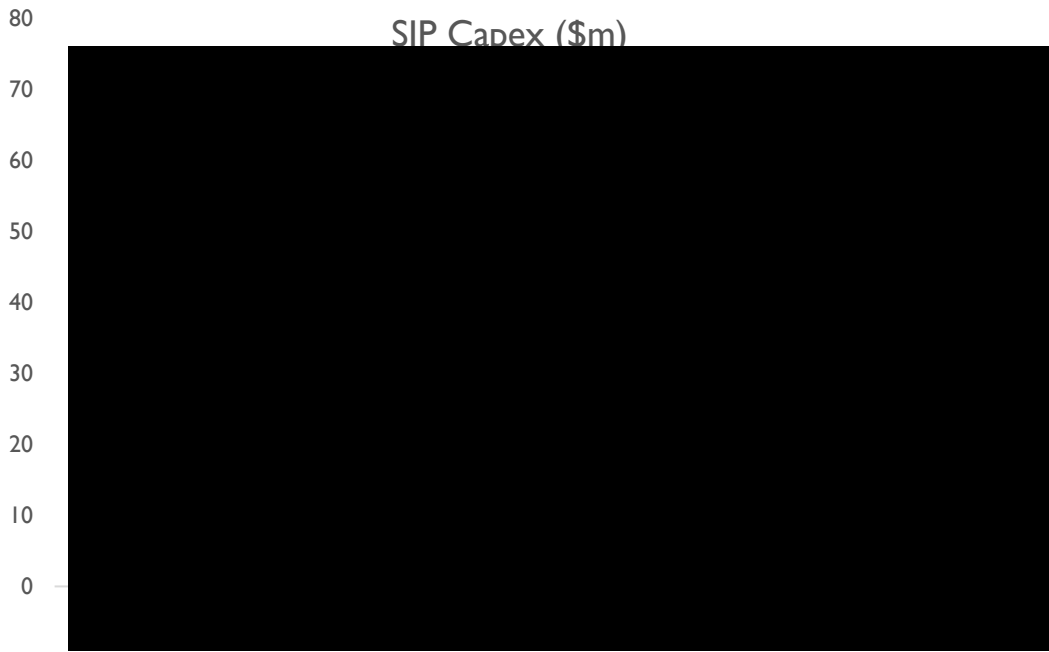
[Redacted]

[Redacted]

[Redacted]



[Redacted]



[Redacted]

[Redacted]

**Debt structure**

The financial model for the SIP includes \$200 million in additional borrowings. [Redacted]

[Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**Treasurer's determination**

Under section 7(2) of the Act, the University requires the Treasurer's written approval to borrow money.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**Conditions**

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[REDACTED]

### Sources of funding

The University has the ability to access both Tascorp and the market directly for borrowings approved under section 7(2) of the Act. All borrowing facilities for the University are currently through the State's central borrowing authority, Tascorp. However, the University may also access funding via private sector financial institutions or, pending a ratings outcome, direct issuance.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

### Conclusion

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Released Under RTI

Department of Treasury and Finance

The Treasury Building  
21 Murray Street HOBART TAS 7000  
GPO Box 147 HOBART TAS 7001 Australia  
Telephone (03) 6166 4444 Facsimile (03) 6173 0219  
Email [secretary@treasury.tas.gov.au](mailto:secretary@treasury.tas.gov.au) Web [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au)

Received  
- 2 FEB 2021  
MIN20/37091/14  
Premier's Office



Minute to the Minister

Critical Date: Urgent

Subject: University of Tasmania Southern Infrastructure Project Borrowing Request

Approved/Not approved/Noted

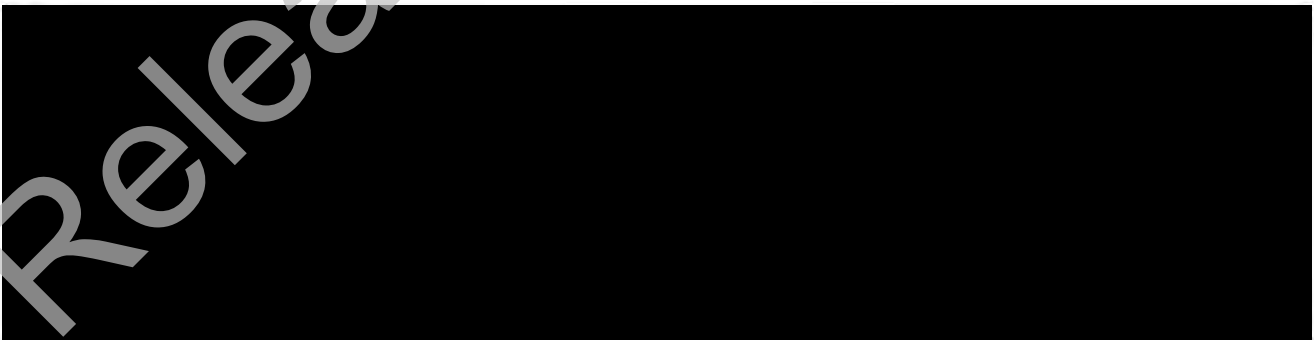


Hon Peter Gutwein MP  
Premier  
Treasurer 12 FEB 2021

Recommendation:

It is recommended that:

1. you note the University of Tasmania (the University) has provided information and a financial model to Treasury to support the Southern Infrastructure Project borrowing request;
2. you note the attached Treasury analysis of the University's Southern Infrastructure Project borrowing request;



Tony Ferrall  
Secretary

2 February 2021

Released Under RTI

  
**Background:**

As you are aware, section 7(2) of the Act requires the University to obtain the written approval of the Treasurer to exercise its power to borrow money.

On 6 October 2020, the University wrote to you seeking approval for a \$200 million increase to its borrowing facility limit (to equal \$400 million). The University also raised the potential for an increase to the Government's guarantee under the COVID-19 borrowing arrangements.

Treasury received the University's proposal, including its supporting financial model, on 16 December 2020. The attached analysis has been prepared to assist in your consideration of the University's request, focusing on high-level issues, risks and model assumptions.

  
*Treasurer's determination*

The attached analysis outlines your options in making a determination under section 7(2) of the Act.



*The Tasmanian Public Finance Corporation*







Document reference: 21/24161

Contact Officer:



Director  
Shareholder Policy and Markets  
Branch

Telephone:



Released Under RTI



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

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

Peter Gutwein MP  
Premier  
Treasurer



PREMIER OF TASMANIA

- 3 MAR 2021

Mr T Ferrall  
Chairman  
Tasmanian Public Finance Corporation  
GPO Box 1207  
HOBART TAS 7001

Dear Mr Ferrall

**University of Tasmania Southern Infrastructure Project borrowing limit increase**

Thank you for your letter dated 23 December 2020 advising that the Tasmanian Public Finance Corporation (Tascorp) has considered the University of Tasmania (the University) request to:

- increase its borrowing facility limit by an additional \$200 million; and
- to obtain a term extension of current borrowings beyond 2030 to support its capital expenditure program, as part of the Southern Infrastructure Project.

I note the Board was not prepared to approve the University's borrowing request on a stand-alone basis and that a final recommendation from Tascorp management in relation to this matter would be considered by the Board following my decision in relation to approval of the additional borrowings by the University.

Based on the information provided to Treasury by the University, I advise that I have approved 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 Tascorp to support COVID-19 related funding will not be increased to cover any additional borrowings by the University.

I have written to advise the University of these decisions.

Yours sincerely

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

Peter Gutwein MP  
Premier  
Treasurer

**Department of Treasury and Finance**

The Treasury Building  
21 Murray Street HOBART TAS 7000  
GPO Box 147 HOBART TAS 7001 Australia  
Telephone (03) 6166 4444 Facsimile (03) 6173 0219  
Email [secretary@treasury.tas.gov.au](mailto:secretary@treasury.tas.gov.au) Web [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au)

Received  
24 FEB 2021  
MIN20/37091/18  
Premier's Office



**Minute to the Minister**

**Critical Date:** Urgent

**Subject:** University of Tasmania Southern Infrastructure Borrowing Request - Update

**Approved/Not approved/Noted**

Hon Peter Gutwein MP  
**Premier**  
**Treasurer** - 3 MAR 2021

**Recommendation:**

It is recommended that:

[Redacted text]

- 2. sign the attached letters to the University of Tasmania and Tasmanian Public Finance Corporation advising of your approval and imposed conditions.

Tony Ferrall  
Secretary

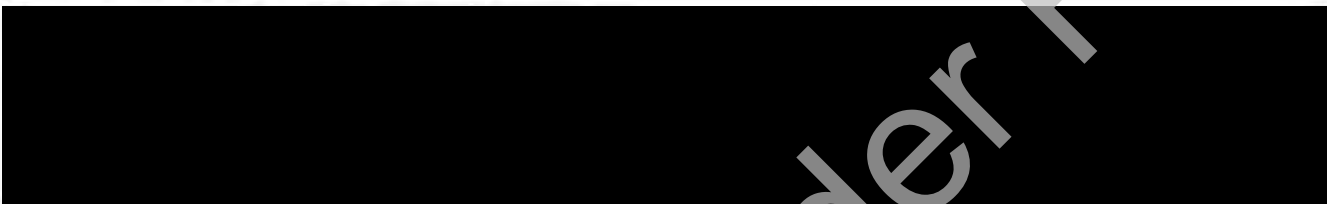
24 February 2021

Released Under RTI

**Background:**

On 12 February 2021, you agreed to approve the University of Tasmania's request to borrow an additional \$200 million in accordance with section 7(2) of the *University of Tasmania Act 1992* (the Act). The approval was subject to the following proposed conditions:

- the University obtain and maintain 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.



You also agreed that the current Government guarantee provided to the Tasmanian Public Finance Corporation to support COVID-19 related funding would not be increased to cover any additional borrowing by the University.



Attached for your signature are letters to the University and Tascorp advising of your approval of the borrowings subject to the above conditions.

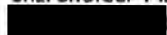
Document reference: 21/47056

Contact Officer:



Director  
Shareholder Markets and Policy

Telephone:



Released Under RIT

# Department of Treasury and Finance

## Briefing Note

**To:** Tony Ferrall, Fiona Calvert  
**cc:** [REDACTED]  
**Subject:** Treasury meeting with Moody's  
**Document reference:** 21/80810

### Meeting details

**Date:** 12 May 2021      **Time:** 9:00am      **Venue:** Treasury building - Franklin Room

### Attendees:

Tony Ferrall	Secretary	Treasury
Anton Voss	CEO	Tascorp
[REDACTED]	[REDACTED]	Moody's
[REDACTED]	[REDACTED]	Moody's

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]







[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[Redacted]

[Redacted]

[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]	[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

**The University of Tasmania**

• [Redacted]

[Redacted]

• [Redacted]

- Still progressing southern infrastructure strategy which involves moving from the Sandy Bay campus to the CBD.
- No additional Government support has been provided to the University.
- Southern infrastructure project requires debt funding to progress. At this stage the University is seeking funding from Tascorp on a stand-alone basis.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

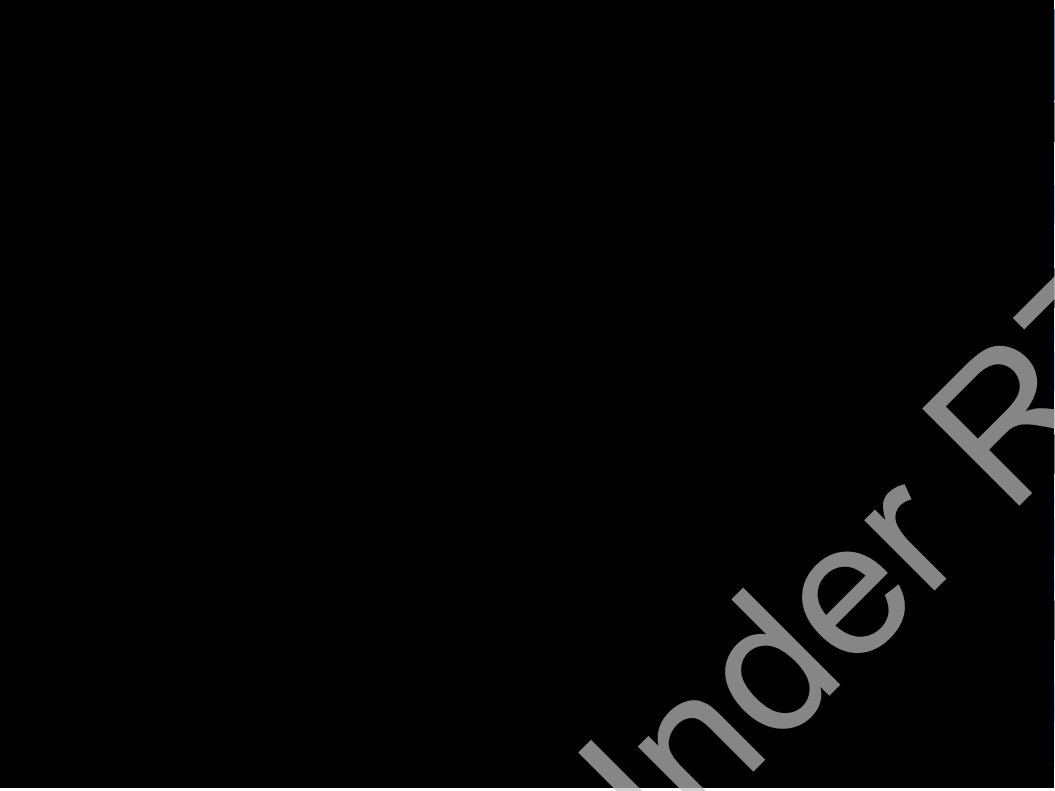
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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**Appendix B** - Government Support for borrowings of Participating Authorities, including Government Businesses

Borrower	Maximum Supported Borrowing Limit \$m	Current Borrowings (as at 15 February 2021) \$m
UTAS	200.0	125.0

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

6. UTAS –

[REDACTED]

What additional assistance (outside of debt funding) is expected to be provided for the university?

[REDACTED]

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# Department of Treasury and Finance

Ministerial Briefing  
Premier  
Treasurer



**Subject:** University of Tasmania Southern Infrastructure Borrowings

**Date prepared:** 9 June 2021

- On 6 October 2020, the University wrote to you seeking approval for a \$200 million increase to its borrowing facility limit (to \$400 million). The University also raised the potential for an increase to the Government's guarantee under the COVID-19 borrowing arrangements.

- [Redacted]

- [Redacted]

- [Redacted]

- s [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- [Redacted]

- On 12 February 2021, you agreed to approve the University of Tasmania's request to borrow an additional \$200 million in accordance with section 7(2) of the *University of Tasmania Act 1992*.



- The approval was subject to the following proposed conditions:
  - the University obtain and maintain a stand-alone, investment grade credit rating from an approved rating agency;
  - the increase of \$200 million to the existing borrowing facility limit was 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.
- In providing this approval, you also agreed that the current Government guarantee provided to Tascorp to support COVID-19 related funding, would not be increased to cover any additional borrowings by the University.

- [REDACTED]

- On 3 March 2021, you wrote to the Vice-Chancellor advising of your approval of the requested borrowings on the basis of the conditions detailed above [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- [REDACTED]

- The University currently has a \$200 million limit with Tascorp, a \$125 million loan maturing in 2023 and a \$75 million overnight working capital facility.

Document reference: 21/139214

[REDACTED]

[REDACTED]

Director  
Shareholder Policy and Markets

[REDACTED]

[REDACTED]

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## Tasmanian Public Finance Corporation

Level 1, 114 Murray Street Hobart Tasmania 7000  
GPO Box 1207 Hobart Tasmania 7001  
Phone (03) 8396 1200 Intl 61 3 8396 1200  
Fax (03) 9086 4195 Intl 61 3 9086 4195  
ABN: 75 403 768 119

1 July 2021

Hon Peter Gutwein MP  
Treasurer  
Level 11, Executive Building  
15 Murray Street  
HOBART TAS 7000

Dear Treasurer

### University of Tasmania Borrowing Request

I write to you at the request of the TASCORP Board.

The University of Tasmania (UTAS) currently has a borrowing limit with TASCORP of \$125 million until 30 June 2023 with an additional \$75 million of overnight working capital. These borrowings are supported by a guarantee originally provided by you on 15 June 2020 as part of COVID-19 lending to Participating Authorities. As you are aware, UTAS is also seeking an additional \$200 million in borrowings and a term extension of current borrowings to support its capital expenditure program, which includes the Southern Infrastructure Project.

The Board considered the University's increased borrowing request at its June 2021 meeting following an update on the proposed conditions under which borrowings would be provided. [REDACTED]  
[REDACTED]. UTAS has been assigned a private credit rating from Moody's of Aa2 (baseline a1).

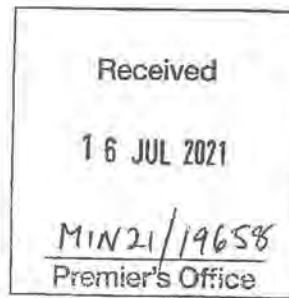
The Board seeks your confirmation that, should TASCORP agree to UTAS's borrowing request, the irrevocable and unconditional guarantee will apply to \$200 million of the full \$400 million borrowing facility with a maturity that is extended from 2023 until 2046.

Yours sincerely

Tony Ferrall  
Chair

## Department of Treasury and Finance

The Treasury Building  
 21 Murray Street HOBART TAS 7000  
 GPO Box 147 HOBART TAS 7001 Australia  
 Telephone (03) 6166 4444 Facsimile (03) 6173 0219  
 Email [secretary@treasury.tas.gov.au](mailto:secretary@treasury.tas.gov.au) Web [www.treasury.tas.gov.au](http://www.treasury.tas.gov.au)



### Minute to the Minister

**Critical Date:** No Critical Date

**Subject:** Tasmanian Public Finance Corporation - University of Tasmania Guarantee

**Approved/Not approved/Noted**


### NOTED IN THE PREMIER'S OFFICE

Hon Peter Gutwein MP  
**Premier**  
**Treasurer** 22 JUL 2021

### Recommendation:

It is recommended that you:

1. note the contents of this Minute; and
2. sign the attached letter to the Tasmanian Public Finance Corporation.

for   
 Tony Ferrall  
 Secretary

15 July 2021

**Background:**

You have previously approved a request from the University of Tasmania to increase borrowings by \$200 million. In addition to this increase in borrowings, the University has requested that its existing debt with Tascorp, of \$125 million, be refinanced to increase the term of the loan portfolio, from 2023 to 2046, to take advantage of the current low interest rate environment.

The Chair of the Tascorp Board has recently written to you seeking your confirmation that, should Tascorp agree to the University's borrowing request, the existing guarantee will continue to apply to \$200 million of the full \$400 million borrowing facility with a maturity that is extended from 2023 until 2046.

Attached for your consideration and signature is a draft letter to the Chair of Tascorp.

Document reference: 21/162210

Contact Officer: [REDACTED]

Director  
Shareholder Policy and Markets

Telephone: [REDACTED]

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PREMIER OF TASMANIA

Mr A J Ferrall  
Chair  
Tasmanian Public Finance Corporation  
GPO Box 1207  
HOBART TAS 7001

22 JUL 2021

Dear Mr Ferrall

**University of Tasmania Guarantee**

I refer to your letter of 1 July 2021 seeking confirmation that the existing Letter of Guarantee, issued on 15 June 2020 to Tascorp, will continue to apply to the University of Tasmania should Tascorp agree to the University's Southern Infrastructure Project borrowing request of an additional \$200 million and the extension of maturity of the existing \$125 million borrowing from 2023 to 2046.

I can confirm that the Government will continue to unconditionally and irrevocably guarantee the obligations of the University up to a maximum limit of \$200 million.

It is also understood that Tascorp is taking action to mitigate risks to the State where possible

[REDACTED]

Yours sincerely

Peter Gutwein MP  
Premier  
Treasurer

# Government Business - Major Projects

Fiona Calvert  
Deputy Secretary  
Economic and Financial Policy Division

# Government support for major projects and businesses

[REDACTED]

[REDACTED]

[REDACTED]

- The Government's COVID-19 guarantee remains in place.

[REDACTED]



[Redacted]



[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

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Released Under RTI

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Released Under RTI

# University of Tasmania

- [REDACTED]
- [REDACTED]
- Major Projects progressing:
  - [REDACTED]
  - The \$522 million Southern infrastructure project is still progressing. This involves moving from the Sandy Bay campus to the CBD. A Draft masterplan publicly released in May 2021.

# Department of Treasury and Finance

Ministerial Briefing  
Premier  
Treasurer



**Subject:** University of Tasmania's Borrowings

**Date prepared:** 27 October 2021

- Section 7(2) of the *University of Tasmania Act 1992* requires the University to obtain written approval from the Treasurer to exercise its power to borrow. However, once approval has been provided, the University has the ability to access Tascorp and the market directly for debt funding.
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- The University currently has a \$200 million borrowing limit with Tascorp, comprising a \$125 million loan maturing in 2023 and a \$75 million overnight working capital facility.
- As you are aware, the University is also seeking an additional \$200 million in borrowings to support its capital expenditure program, which includes the Southern Infrastructure Project.
- Your approval of the additional borrowings was subject to the following conditions:
  - the University obtaining and maintaining a stand-alone, investment grade credit rating from an approved rating agency;
  - the increase of \$200 million in the borrowing facility is to be used solely for the purposes of the construction of the Southern Infrastructure Project;
  - the \$200 million borrowing facility limit will reduce over time consistent with the maturity profile detailed in the University's request; and

- the current Government guarantee provided to Tascorp to support COVID-19 related funding would not be increased to cover any additional borrowing by the University.
- The COVID-19 Government guarantee was issued to Tascorp, and will not apply to any borrowings the University takes out with the market, including any potential refinancing of its existing borrowings.
- [REDACTED]
- [REDACTED]
- [REDACTED]

Document reference: 21/246445

Contact: Fiona Calvert  
Deputy Secretary  
Telephone: (03) 6166 4455

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## Tasmanian Public Finance Corporation

Level 1, 114 Murray Street Hobart Tasmania 7000  
GPO Box 1207 Hobart Tasmania 7001  
Phone (03) 8396 1200 Intl 61 3 8396 1200  
Fax (03) 9086 4195 Intl 61 3 9086 4195  
ABN: 75 403 768 119

24 January 2022

Hon Peter Gutwein MP  
Treasurer  
Level 11, Executive Building  
15 Murray Street  
HOBART TAS 7000

Dear Treasurer

### **University of Tasmania – TASCORP Consent Provided for UTAS to Borrow from the Market**

I write to you on behalf of TASCORP's Board to provide you with an update on the current arrangements relating to the University of Tasmania's (UTAS) request for funding to commence its Southern Infrastructure Project (SIP).

UTAS currently has a borrowing limit with TASCORP of \$125 million until 30 June 2023, with an additional \$75 million of overnight working capital. These borrowings are supported by a guarantee originally provided by you on 15 June 2020 as part of COVID-19 Lending to Participating Authorities and re-confirmed in your letter of 22 July 2021.

On 28 July 2021, TASCORP also approved a new \$200 million facility to facilitate the construction of the SIP. Despite this approval, UTAS now wishes to establish a medium-term note issuance program and a corporate debt facility with a commercial bank in preference to borrowing through TASCORP. To do this, UTAS requires TASCORP's consent under Section 19.2 of the Master Loan Facility Agreement.

At its last meeting, the TASCORP Board approved TASCORP consenting to UTAS' request and TASCORP has issued a formal consent for the third party borrowing. TASCORP's consent has been given on the condition that any drawdowns from the issuance program or corporate debt facility are only permitted if proceeds are used to fully repay and cancel the UTAS borrowings and all facilities with TASCORP, which has been acknowledged and accepted by UTAS.

I will advise you in writing once all facilities have been repaid to confirm that the guarantee is no longer required.

Yours sincerely

Tony Ferrall  
Chair