



UNIVERSITY of  
TASMANIA

Office of the  
Vice-Chancellor

Tony Ferrall  
Secretary  
The Treasury Building  
21 Murray Street  
Hobart TAS 7000

By email: [secretary@treasury.tas.gov.au](mailto:secretary@treasury.tas.gov.au)

Dear Secretary

Thank you for your letter received 27 May 2020 seeking information about the threats and opportunities presented by COVID-19 to the University of Tasmania, to support the work of the Premier's Economic and Social Recovery Advisory Council.

With national borders likely to remain closed or highly controlled for a long time to come, the University is forecasting significantly reduced numbers of international students in the years ahead and State border controls are also reducing interstate student numbers. Our financial modelling shows that we face revenue losses in 2020 of between \$30 - \$34 million and between \$60 - \$120 million per year in 2021 and 2022. Where we land in that range largely depends on how the borders are managed and what happens in international and domestic education markets.

We released a comprehensive plan to respond to this situation on 3 June 2020 which includes:

- Continuing to implement our strategy of being a University *of* and *for* Tasmania and developing distinctive offerings to attract more Tasmanian and interstate students to study with us
- Reducing non-salary costs and sustaining this lower level for a number of years to come
- Taking on debt of about \$130 million
- Reducing salary costs through:
  - Seeking staff approval to forego a 2% salary increase due in July this year under the Staff Agreement
  - Supporting flexible arrangements
  - Tight vacancy management
  - Extensive voluntary options from early retirements through to voluntary redundancies
  - Reducing staff numbers through changing what we offer, how we deliver it and how we support it.



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The University appreciates the significant financial support the State Government is providing through the Northern Transformation Program to construct the new campuses in Launceston and Burnie which will catalyse an education driven transformation of these regions. We remain confident that this project will attract the forecast additional students to higher education, as well as produce distinctive, industry relevant research to support the needs of the regions. Given the bulk of our international students have traditionally studied in Hobart, overall we expect the impact of COVID-19 to have a greater impact in the South than in the North or the North-West of the State.

We are also grateful for the recent support of the State Government in amending the State Nomination Policy to ensure that we can retain as much of our international student cohort as possible and ensure that the reputation of Tasmania as a destination of choice for international students is maintained throughout the disruption of COVID-19.

Over the medium to long-term, we are concerned about and will be carefully monitoring the impact of COVID-19 on research funding, particularly in relation to the Menzies Institute of Medical Research, the Tasmanian Institute of Agriculture and the Institute for Marine and Antarctic Studies. We understand that philanthropic contributions to research in Australia are forecast to decline by 30 - 50% due to the impact of COVID-19, which would have a significant impact on Menzies in particular.

In addition, 24 Menzies staff have been providing crucial leadership, expert advice and support to the Department of Health's COVID-19 response. The pandemic has demonstrated the surge capacity the University can provide to the State from its staff and researchers, as well as the capability required to respond to future health threats to Tasmania. In particular, the 'Icon' funding received from the Tasmanian Government supports the salary costs of some of our most talented researchers and remains an important contribution to the Institute's ability to continue to support the State.

Notwithstanding these disruptive impacts of COVID-19, essentially the University's strategy remains largely unchanged from the [Strategic Plan](#) released in July 2019. We knew then that our mission to make a difference for Tasmania, and from Tasmania to the world, is a long-term one that requires a long-term plan. It is a mission that requires us to work in deep and sustained partnerships, both internally and with organisations and people across the State, in particular the State Government. COVID-19 is presenting us with opportunities to develop such



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partnerships and contribute to Tasmania's recovery and resilience efforts. We remain committed to becoming a University that is place-based and globally connected, right-sized and responsive, regionally networked to provide quality and access, and people-centred.

Yours sincerely

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

Professor Rufus Black  
**Vice-Chancellor**

5 June 2020