

NOTICE OF QUESTION

Question No 30 of 2025

Legislative Council

ASKED BY: Hon Meg Webb MLC

ANSWERED BY: Hon Jo Palmer MLC, Deputy Leader of the Government in the Legislative Council

QUESTION:

In relation to the request made by the Public Accounts Committee Inquiry into the University of Tasmania (UTAS) Financial Position, to the Treasurer, the Hon Guy Barnett MP, to “provide a full reconciliation between the terms and conditions of UTAS’ \$350 million Green Bond borrowing” and the two borrowing approvals issued by the then-Treasurer Peter Gutwein, upon which UTAS relied for that borrowing, and the subsequent response by the Treasurer that UTAS’ “current Bond Program is consistent with the approvals issued in March 2021”; can the Government:

1. Confirm there was only one Treasury issued borrowing approval in March 2021 which was for \$200 million, not the \$350 million or \$400 million claimed to be the borrowing limit of UTAS;
2. Explain why Treasurer Barnett failed to detail in his response to PAC the November 2019 UTAS’ borrowing approval for \$200 million issued in November 2019, on which UTAS must also have had reliance for the Green Bond borrowing;
3. Confirm an assertion of compliance or consistency, on the part of the Treasurer, is not the same as demonstrating compliance; and
4. Provide “a full reconciliation between the terms and conditions of UTAS’ \$350 million Green Bond borrowing” and the terms and conditions of UTAS’ two borrowing approvals, issued in November 2019 and March 2021, for \$200 million each?

ANSWER:

1. The Department of Treasury and Finance does not approve the borrowings of UTAS. As has previously been advised to the Select Committee, under section 7(2) of the *University of Tasmania Act 1992* (UTAS Act), UTAS “must not exercise its power to borrow money unless it has first obtained the written approval of the Treasurer”.

From the period November 2019 to March 2021, UTAS’ total approved borrowing limit was \$200 million. In March 2021, the then Treasurer approved an increase of \$200 million to UTAS’ borrowing limit. This increased UTAS’ borrowing limit to \$400 million from March 2021.

2. The Treasurer’s letter to PAC, dated 8 November 2024, did not address the then Treasurer’s approval in November 2019 of the \$200 million borrowing limit, because it was not relevant to the questions raised by PAC.

There were no conditions attached to the Treasurer’s borrowing approvals prior to March 2021.

The Treasurer’s approvals prior to March 2021 were provided on the basis that the Tasmanian Public Finance Corporation’s Board continues to be satisfied that UTAS is able to service this level of debt and that Tascorp is prepared to increase UTAS’ borrowing facility limit. This is not a condition of approval, rather, it is an acknowledgement that access to additional Tascorp funding will be subject to Tascorp’s credit assessment practices and Board approvals processes, as is the case with any entity that seeks to borrow funds from Tascorp.

3. It is a matter for UTAS to comply with any conditions placed on the borrowing by the Treasurer. There is no legislative obligation for the Treasurer to actively confirm compliance with any borrowing conditions.
4. The only conditions applying to the collective approvals by the Treasurer for UTAS to borrow were those that were attached to the final approval in March 2021, which increased the borrowing limit from \$200 million to \$400 million. These were that:
 - UTAS obtains and maintains a stand-alone, investment grade credit rating from an approved agency;
 - the increase of \$200 million to the existing borrowing facility limit is approved solely for the purpose of the construction of the Southern Infrastructure Project; and

- the \$200 million borrowing facility limit will reduce over time consistent with the maturity profile detailed in UTAS' request.

It is a matter for UTAS to comply with these conditions.

APPROVED/NOT APPROVED



Hon Guy Barnett MP

Deputy Premier

Treasurer

16/5/25

Date: