



UNIVERSITY *of*
TASMANIA

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Charting a course through the COVID-19 challenge

The University of Tasmania is proposing a hold on salaries as part of a package agreed with union leadership to protect jobs and meet the financial challenge presented by COVID-19.

The package includes oversight of any job reductions by an independent national committee made up of representatives from the National Tertiary Education Union and the higher education sector.

In a message to staff today, Vice-Chancellor Professor Rufus Black set out the potential impact of COVID-19 on the University's budget and the principles that will guide its response.

Travel restrictions, introduced to manage the spread of the virus, will significantly reduce the University's revenue over coming years, as they have for other sectors such as tourism.

Nationally, the higher education sector has forecast a revenue loss of \$3-\$4.6 billion in 2020*.

The University of Tasmania faces revenue losses in 2020 of \$30-\$34 million, and between \$60 and \$120 million per year across 2021-2022.

Professor Black said the University had reached in-principle agreement with the State and national leadership of the NTEU and CPSU for the package to respond to the COVID-19 challenge.

"We moved quickly and successfully to shift our teaching and learning online and retain our students, and to significantly reduce non-salary costs," Professor Black said.

"While this has put us in a stronger position than we might have been, the challenge we face is significant. We will address it in line with our values and with our people at the centre of what we do.

"We will stay focused on our students, we will address non-people costs first, we will use debt to share the burden over time, and we will minimise the impact on staff and retain choice to the greatest extent possible."

The University will take on debt of \$130m so that costs are shared between current and future generations, as well as holding non-salary costs and capital expenditure to lower levels in coming years.

Even with the above steps, there remains a sizable gap to close of between \$40m and \$50m a year, which the University needs to meet from its salary budget.

The principles guiding these savings are:

- **Hold salary levels.** We propose to forgo increases across all levels of the organisation, not cut pay. This would include not passing on the 2% increase in the Staff Agreement, subject to a staff vote. This would save about 50 jobs.
- **Support flexible arrangements.** Some staff are keen to change their employment fractions. We will support these requests as they will save jobs.
- **Enable voluntary contributions.** Each of the University's senior executive team, along with other staff, have made significant salary contributions to support students – so far more than 65 staff members have contributed \$350,000. We have not capped the funds we will make available to students in need; however, this provides an avenue for those who wish to make a personal contribution to do so, and it delivers savings.
- **Prioritise staff with existing relationships to the University.** Continue our tight vacancy management and give preference to internal appointments.
- **Aim for long-term sustainable staffing numbers, not just cuts to get through.** Even before COVID-19, we knew we had to operate with fewer staff. That is all the more so now. Staff numbers will be reduced as we change what we offer, how we deliver it, and how we support it. This approach, not just cutting to reduce costs, is what will ensure we emerge as a strong, sustainable university.
- **Prioritise voluntary measures and choice as we reduce numbers.** We want our people to be able to make a choice about their futures. Therefore, we will start with extensive voluntary options from early retirements through to voluntary redundancies.
- **Independent oversight of staff reductions.** The University has sought at all stages to face this challenge in a collaborative and consultative way. We have agreed to an independent national committee having oversight of all job reductions over the next 12 months.

[*Uni viability crucial to national recovery – Universities Australia](#)

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