QON No. 90

Legislative Assembly for the Australian Capital Territory
Standing Committee on Social Policy

Inquiry into annual and financial reports 2024–2025

Answer to question on notice

Asked by: Ms Chiaka Barry MLA

Addressed to: Vice Chancellor - Bill Shorten

Redirected to: N/A

Reference: University of Canberra

Hearing: 13 November 2025
In relation to: Budget and Budget Outcomes
Question received: 19 November 2025
Answer Due: 02 December 2025

I refer to your financial summary, Table 1 on page 44 of your annual report. I am concerned that you are running an Operating Deficit of 41% and note that your current liabilities exceed your assets. This doesn't look like a sustainable way to run a business.

(1) What are your plans to turn your Operating outlook around?
(2) What new revenue raising opportunities are you exploring?
(3) What plans to you have to reduce your expenses?
(4) Can you provide an assurance to this committee that the effect of your changes won't impact students ability to complete courses they are currently enrolled in?
(5) I note that your Group Operating results have been in steep decline since 2021. What are the underlying causes of this decline over that timeframe?
(6) What are projections for Group Operating results over the next five years?
(a) What are the substantive measures you are putting in place to achieve that outcome?
(7) I note that depreciation and amortisation represent 33% of your expenses. This implies we'll face a significant infrastructure bills over time, can you provide me details of you planning for infrastructure replacement?
(a) Will UC have the funds to cover this infrastructure replacement program, or will you be seeking funding from the ACT Government for this?

Vice Chancellor - Bill Shorten: The answer to the Member's question is as follows:

1. As has been discussed in many forums publicly, the 2025 budget operating position is expected to be much more favourable than 2024. The budget savings measures implemented from December 2024 – May 2025, which included significant reduction in staffing and operating expenses, have been the major driver of our financial recovery.

2. To ensure continued improvement in financial position, the University is expanding our course delivery partnerships locally and globally, investigating new pathways to education through our partnerships with vocational providers, enhancing credit pathways and RPL, and investigating closer connections directly with industry and government for short courses and micro-credentials. Additionally, we will continue to expand our successful delivery of online programs in new course areas.

3. We will continue to monitor for any growth in expenditure that exceeds our revenue, constraining growth in staffing and other expenditure until our long-term financial position is further improved.

4. There will be no impact on our overall course profile and the ability of students to complete their studies directly related to the plans noted above. Our courses and curriculum do undergo continual review based on changes to student demand, future workforce prospects and industry alignment, and this does mean that over time a small proportion of students are impacted by course changes; however, there are always appropriate teach out provisions put in place to negate this impact with appropriate consultation with affected students.

   - Decline in operating position is effectively the result of our staffing and general expenditure increasing at a greater rate than revenue. Whilst Revenue has been increasing year-on-year since 2021, actual growth did not match planned growth as a result of fluctuating student demand, a higher proportion of revenue shared with third-parties through partnership arrangements, decreased load profile (more students studying part-time or taking intermission) and government policy impacting student choice.

5. We intend to reach surplus in 2026, with continued, sustainable growth in revenue and ongoing constraint on expenses.

   5.1. As per the above answers.

   - In Financial Year 2024, Depreciation and Amortisation was $22.4m and represented 5.3% of total Operating Expenditure.

   Campus asset and infrastructure expenditure is subject to annual budgeting and longer-term capital planning. The scope and prioritisation of campus capital expenditure is also informed by the University's Strategic Asset Management Plan and the University Campus Masterplan. Guidance on prioritisation can also be provided by the ACT Government.

- **The funding for campus infrastructure requirements will be met through internal cash reserves, expected commercial returns from campus development activities and from debt facilities, if appropriate. The University has no plans to seek funding from the Government for infrastructure replacement.**

Approved for circulation to the Standing Committee on Social Policy

Signature: Bill Shorten Date: 5 March 2026

By the Vice Chancellor – Bill Shorten, University of Canberra