

Answer to Supplementary Questions directed to Richard Howes

Question 1: When was the Finance committee aware of the Financial crisis? When did the committees share these concerns with the broader Council?

Finance Committee receives financial performance reports at each meeting that present year-to-date financials and projections for the full year. Finance Committee also receives and discusses 5-year financial plans annually that it recommends to the Council for approval. This reporting, together with broader strategic discussions at Council, that have taken place since I joined Council in early 2022, made it clear that the University has faced ongoing challenges around operating sustainability since 2020. Inflationary pressures, government policy evolution, declines in revenue per domestic student, higher acquisition costs associated with international students, and the need to invest significantly in addressing the technical debt surrounding UTS's IT systems as well as other factors have been discussed over several years as creating financial challenges. The November 2023 Finance Committee specifically discussed the need for a financial sustainability program contemplating deliberate and coordinated action to address issues created by cost growth outpacing revenue growth. Operational sustainability has been a regular feature of Finance Committee discussions since that time. Finance Committee reporting to Council over time has contained discussion of all of these matters.

Question 2: At the hearing we heard that there are some IT systems that are "no longer supported by vendors". That's quite alarming that systems are about to get to this point - perhaps a question about what responsibility/accountability does the Infrastructure Committee take for this poor planning.

The Infrastructure Committee Charter was extended to include responsibility for Information Technology when I joined it in 2022. Since that time its focus has included strategies to address technical debt. Planning in relation to IT systems prior to that time was not overseen by the Infrastructure Committee.

Question 3: Can you elaborate on what systems are in use that are no longer supported by vendors? What are the operational and security risks posed by this, and how has this been mitigated? What are the planned IT infrastructure costs required to remedy these issues? Can you explain how was it allowed to happen that systems weren't replaced earlier in planning processes?

UTS has several hundred IT systems making up its technology ecosystem. Several of these systems are either no longer supported by vendors or will soon reach this point. This situation poses elevated levels of operational risk including through the possibility of system outages, errors and poor integration between systems. Older and less well

supported systems are often also more challenging to manage from a cybersecurity point of view.

Investment to reduce technical debt has been a focus of the Infrastructure Committee over the past few years. UTS has a program of work, which forms a significant component of the capital investment budget going forward, designed to both address this technical debt and to underpin improvement in operational processes. Since my appointment to Council and to the Infrastructure Committee there has been a focus on investment to reduce technical debt.

Management has reported to the Infrastructure Committee and Audit & Risk Committees significant systems that are or will be out of vendor support. In recent years, the Infrastructure Committee has specifically reviewed plans for CASS, which manages curriculum and student information, and NEO, which handles personnel and the general ledger for finance. For each system, appropriate mitigation and replacement strategies have been developed. The plans for CASS have been completed, while the process to replace NEO is currently underway.

Question 4: You note that in the alternative plan proposal there is the idea that we can turn off a series of capital projects'? What is the nature of the capital projects that you refer to? Please list these.

My observation was simply that, to the extent the alternative plan contemplates materially less capital expenditure than is planned by Council, logically it must contemplate delaying or abandoning capital projects currently planned. The alternative plan is largely silent as to which of the projects will receive less investment and how risks created by the underinvestment will be managed. You would need to ask the authors of the alternative plan which projects they intend to de-fund.

Question 5: On 2 October 2025 I sent a letter to all UTS Council members expressing my deep concern with the OSI and urging the Council to meet with the Alternative Plan Authors. Were you directed not to respond to my letter?

No.