



VICHANSARD Whole Speech

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House **COUNCIL**
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University of Melbourne: faculty of the VCA and music

[Ms PENNICUIK \(Southern Metropolitan\)](#) -- My adjournment matter for this evening is for the attention of the Minister for Arts and relates to the rental costs imposed by the University of Melbourne on the faculty of the VCA and music (VCAM) since its integration with the university on 1 January 2007. While on the one hand the university provides VCAM with an essential \$6 million cash subsidy, on the other hand it extracts another \$6 million in rent per year, or over \$6000 per student. On integration the university acquired former Victorian College of the Arts (VCA) assets valued at \$103 million. The land and buildings are owned by either the university or the Crown, and prior to integration no rent was charged. This \$6 million rent charge is an additional fee levied by the university on VCAM.

The university overheads for 2009 are listed as \$14.4 million, or 83 per cent of VCA income, while the average for other faculties is 46.2 per cent. This represents a 55 per cent increase within two years of integration. In 2006 VCA administration charges were \$11.7 million, or 47 per cent of the college's revenue. On integration in 2007 many functions moved to the university and VCA costs were reduced to \$6.3 million. However, the university levied an additional \$9.2 million for overheads, so VCA administration costs rose to a total of \$15.5 million. The additional \$3.8 million of costs provided no benefits to students or staff, but it did increase the VCA budget. I am advised that the majority of the rental and higher administration fees are calculated using a formula that is standard across the university and returns to a central fund, rather than being reserved for the faculty.

The VCAM discussion paper launched by the university on Tuesday, 10 November 2009, states that the university requires students at other faculties to fund an excessively high subsidy to VCAM, but it neglects to mention that several other university faculties are also cross-subsidised. The paper fails to mention that the university gained more buildings and equipment from the former VCA and that over half of the VCAM faculty is situated on Crown land, which is provided rent free. It seems incongruous that rent is being charged by the university on Crown land and that VCA courses and students are in effect being charged double the rent rate of an average university student. This rental charge appears to be a significant part of the financial issues involved in the whole VCAM saga, and it is essential that it be addressed openly.

The university acquired a ready-made institution that is world renowned and has an enviable reputation for training quality artists.

My request to the minister is that she call on the University of Melbourne to demonstrate that VCAM courses and students are not being disadvantaged by the rents the university is charging the VCAM in comparison to other courses and students.

Hon. M. P. Pakula -- On a point of order, Deputy President, my recollection is that on previous occasions the President and you have ruled that a request that the minister call on somebody else to do something is not appropriate under the rules of the adjournment debate. I seek your guidance on that.

The DEPUTY PRESIDENT -- Order! The minister is right. That is a concern the Chair holds on a number of matters raised in the adjournment. On this occasion, while Ms Pennicuiik's request was that the minister contact the university to take this matter up, I believe she sought the minister's intervention on a substantive issue.

In other words, she was not simply asking the minister to make a call and vaguely discuss something; I think she suggested the minister pursue a very specific agenda. In that context, the matter she raised does not trouble the Chair.

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