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## Race Mathews slams Melbourne Uni over VCA “rent”

by [Andrew Crook \(http://www.crikey.com.au/author/andrewcrook2/\)](http://www.crikey.com.au/author/andrewcrook2/)

A war of words has erupted over the Victorian College of the Arts' financial ties to the University of Melbourne, with former state arts minister Race Mathews branding rent payments to the university as “morally unconscionable.”

In a leaked submission to the [university's discussion paper \(http://vcam.unimelb.edu.au/discussion/\)](http://vcam.unimelb.edu.au/discussion/) on the VCA's future, Mathews, former VCA advisory board chairman Noel Turnbull, Lynne Landy and Noel Denton say \$6 million in annual “rent” charged by Melbourne uni cannot be justified in light of the estimated \$230 million value of the VCA's Southbank campus:

*“If the rent is added (at constant current values) to the capital value above the UoM will have ended up with assets and transfers worth more than \$500 million over the next few decades in return for the \$5 million transfer imposed on it for a few years.”*

The joint-submission calls for the College to be re-established as an independent entity, noting that its financial troubles were caused not by financial mismanagement, but by 2005 changes to the higher education funding formula that left the college \$5 million in the red.

The university says it cross-subsidises the VCA by up to \$18 million a year and claims the institution had been better off financially and academically since its formal integration in 2007.

University Vice Chancellor Glyn Davis is currently embroiled in a pitched battle over controversial changes to the VCA, which critics say would destroy the institution's practical focus. The submissions, published anonymously on the [university's website \(http://vcam.unimelb.edu.au/discussion/\)](http://vcam.unimelb.edu.au/discussion/), are a response to a discussion paper released last November.

Another submission from the former VCA council member member Rodney Hall says the merger was a “knee-jerk panic reaction” to the 2005 funding cut and that the tie-up needed to be immediately unwound. “During my years on the council the proposition of a merger was never raised prior to the axe-blow of the Nelson reforms.”

Hall says the merger was never about curriculum changes, and that the annual subsidy should be considered in light of the prime St Kilda Road land the university now claims as its own.

Another unpublished submission from former Film Victoria manager and VCA Film & TV teacher Ros Walker also disputes the subsidy and says the college operated in the black for years before the 2005 overhaul. Of last year's claimed annual subsidy of \$18 million, Walker says the University had factored in \$3 million in administration charges that would be avoided if the college were to strike out on its own:

*“At the time of the merger, the University reported receiving \$103 million worth of assets. This acquisition has not been factored into subsidy calculations including the VCA's requirement to pay rent to the University.”*

“VCA has moved from having a 18% deficit pre-merger, to having a 38% deficit post-merger.”

Walker says the University of Melbourne has produced at least seven different subsidy figures in the last year and it was therefore difficult to take its claims seriously. On a leaked university website penned last year to counter critics of changes to the college, the subsidy figure was left blank.

Turnbull told *Crikey* this morning that dissidents were looking for “transparency” from university spin doctors in order to properly plan for the VCA’s future.

“We need hard data, not data fudged by the university’s public relations department. Even a robber baron would be embarrassed by what the university’s doing.

“Last year the Dean claimed that there was staff without students, we now have a situation where we apparently have students without staff,” Turnbull said.

A [response from the university \(http://www.theaustralian.com.au/higher-education/review-of-vca-on-cards/story-e6frgcix-1225833602509\)](http://www.theaustralian.com.au/higher-education/review-of-vca-on-cards/story-e6frgcix-1225833602509) published in today’s *Australian* says the rental charge was necessary to ensure it could fund capital upgrades at the college.

The university has received over 300 as-yet unidentified submissions to its discussion paper spruiking changes to the institution, which will be evaluated by a review panel.

Many call for the college to be re-established as an independent entity, while the Victorian opposition have promised to restore funding to the level achieved prior to the Nelson reforms.

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