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Review of VCA on cards

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THE University of Melbourne is facing calls for an independent review of its financial treatment of the old Victorian College of the Arts amid a push for the college to be made a stand-alone entity.

In a submission to the university's review of the VCA faculty, former VCA advisory board chairs Noel Turnbull and Lynne Landy, with former Victorian arts minister Race Mathews, call for independent research on the costs the university is charging to the VCA and the benefits to the university.

They propose that the VCA be demerged to create a new independent institution. They note that through the arts portfolio the National Institute of Dramatic Art gets double the per-student funding of the VCA.

Opponents of the way Melbourne University has integrated the VCA claim the faculty is being lumbered with excessive costs.

The submission claims the charges are being used to justify cost cutting.

In particular, it challenges a \$6 million rental charge, equivalent to about \$250 a square metre.

But Melbourne University chief financial officer Allan Tait told the HES the rental charge was necessary to ensure the university had adequate reserves to cover the cost of building replacement and maintenance.

He said an independent VCA would have to similarly account for such future costs.

In all, he said the university last year provided the VCA with effectively \$17m in support, and the faculty received back in subsidies all of the costs the university levied.

"The VCA is a net beneficiary from the integration to the university," he said.

Before the merger he said the university was providing the VCA with \$2m worth of free rent on university land.

Commonwealth funding was cut back in 2005 under the new cluster funding model, effectively forcing the VCA to merge with the university in 2007.