

SUPPLEMENTARY SUBMISSION TO THE VCAM REVIEW – FEBRUARY 15 2010

This supplementary submission to the VCAM review is lodged by Noel Turnbull, The Hon Dr. Race Mathews, Lynne Landy and Noel Denton.

In our previous submission to the Review Panel we estimated the value of the land gifted to the University of Melbourne as a result of the merger and earlier affiliation agreement between UoM and VCA as around \$100 million.

We had sought some independent views of the current value but these were not available when our submission was lodged.

We have subsequently received a value estimate, not a sworn valuation, of the site which estimates that it is worth \$230 million.

Given this estimate we submit to the Panel that:

1. It should commission an independent valuation of the site so as to ascertain the total lifetime net impact of transfers between the VCA and the UoM. Given this value of the, around, \$5 million annual transfer imposed on the UoM by the former Commonwealth Education Minister, Dr Brendan Nelson, represents a sum which is about 2 per cent of the capital asset the UoM has received. It should also be noted that the buildings on the site were provided by Government funding or philanthropy – not the UoM.
2. The UoM charging the VCA \$6 million a year rent for a site, gifted to it, worth \$230 million is morally unconscionable. 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. We refer the Panel to our earlier submission and the precedent for the Victorian College of Pharmacy and its relationship with Monash University as a benchmark against which this can be assessed.
3. It should investigate and make public any moves planned to alienate any of the site from VCA use and transfer use to UoM or affiliates of UoM. The value of any buildings or facilities so transferred should be estimated and set against any analysis of net transfers between the Faculty and the UoM. In particular the Panel should establish whether there have been any suggestions regarding, discussions of, or other consideration of vacating the Dame Elizabeth Murdoch building and transferring it to non-VCA uses.
4. The Panel consider these new figures in the context of our submission that ongoing funding for our recommended Australian University/College of the Arts be derived for a site re-development plan.

We request again the opportunity to make oral submissions to the Panel on this and our previous submission.