

A troubling future for Tasmania's University

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The conflict over UTAS's proposed move from the Sandy Bay campus to the Hobart CBD is dismissed by former Labor Premier Michael Field as based on nostalgia and nimbyism. This misses the main objection to the masterplan, and why it is a matter of concern for all Tasmanians.

The reason for the move, as explained by the Vice-Chancellor, is to develop and sell off the land in order to become a self-funding business entity. No serious problem had arisen from its present location until the University adopted this radical new financing policy which, not surprisingly, has support from both state and federal governments.

In recent times the University purchased enough city properties for the move, freeing UTAS to build and sell or lease 2700 'homes' as a property developer, landlord and likely mortgage financier. To fund this scheme the University issued a bond to borrow approximately 100 hundred million dollars from Dai-Ichi, a Japanese life insurance company. This is the first time an Australian public university has issued such a bond.

So far there has been no reaction from the real estate industry, which is surprising given the financial power of UTAS as a competing business backed by Dai-Ichi and with further billions worth of what was once public land but which it has managed to acquire at no cost. Tasmanian real estate companies and Chambers of commerce do not seem to realise this is not a one-off venture - they now face a huge and financially privileged competitor in land development, real estate, property leasing and money-lending markets.

Sandy Bay residents likewise seem untroubled, judging by a modest turn-out at the recent Save-UTAS rally in Salamanca Place. They do not realise the residential plans call for *ninety* rental buildings between five and eight storeys high in a concentrated area not far from the law building and a short walk up from the tennis courts near the Sandy Bay Road. The University should use some of the Dai-Ichi money on a video to show what this will look like. It should also explain why it will not affect property values.

The Law School, in particular, has been badly treated. In 2018 it ranked 61 globally and 6 nationally. This was from more than 600 university law schools throughout the US, Canada, the UK and Australia. In the past four years it has slipped back to 85. This may continue given the policy to casualise teaching staff and maximise online learning. It also plans 'small-group' teaching with up to 25/30 students, which seems ambitious if not oxymoronic. Its integrity and reputation are now at risk, with more students leaving for mainland universities and likely to settle interstate.

The Hobart City Council elections, and the vote by residents against the move into the city, have now forced the University to make an embarrassing U-turn on this 'masterplan', but the reprieve is only temporary. UTAS might need to consult with Dai-Ichi because the Sandy Bay

campus is the main security for the loan, but the University, given its statute-based governance structure, could revive it at any time. This is a gold-plated investment for Dai-Ichi since no government could refuse a requested bail-out if this commercial venture failed.

There have been some suggestions in *The Mercury* that the Premier might move for greater accountability and supervision of UTAS after the Legislative Council releases its report in the new year. Before doing so, however, he will need to commission an experienced lawyer or retired judge to untangle the complex mix of legal and factual issues which have led to the current crisis. This was essential to the reforms needed after revelations that the Public Trustee Office saw itself as a self-funding business enterprise with a mission to exploit vulnerable people.

Meanwhile two questions arise: First, since the success of the scheme rests on UTAS' business acumen, how is it the University cannot find one Tasmanian economist to support its claim to have a viable business plan? Even the newly created Vice-Chancellor's Fellow, arguably the state's most distinguished economic consultant, is not prepared to lend support. Secondly, was this an attempt by a conservative federal government to pressure all universities to become self-funding by mortgaging their property assets, thus enabling further cuts in commonwealth tertiary spending?