

By Peter Bicevskis

## SOME COMMENTS REGARDING UTAS' LETTER TO STAFF RE THE NO VOTE

(Quite long but hopefully provides a background to the letter).

The UTAS letter was sent out on the day the results were announced. A spontaneous mea culpa and apology for its actions? Very unlikely. Its wording is very ambiguous and has been skilfully crafted to commit to very little whilst appearing to be conciliatory. The letter, signed "Rufus and Alison", is obviously intended to convey spontaneity and friendliness, but there can be little doubt it was carefully prepared quite some time ago to cover the possibility of a negative electoral poll outcome, and has been released to give the appearance that UTAS is "listening" to the voice of the community. It appears to be yet another example of the use of marketing methods identified for managing risk, as identified in UTAS' "Risk Register" for the relocation (discussed later).

Here is what the letter says, with comments as to what it actually means:

"Our goal is delivering the best possible education and research for Tasmania and Tasmanians and ensuring the long-term sustainability of the University in a changing world."

*Meaning: We still believe that what we are proposing is the right way to go, and that is still our goal.*

"Recent community debate, and the elector poll result, makes it clear our consultation and engagement has not been successful and we are sorry this has not worked well for Hobart."

*Meaning: We were wrong in thinking our extensive and expensive PR would influence the majority of people from Hobart who have no direct interest or link with UTAS, and we're sorry our PR campaign didn't work. We will have to try another approach to get our way.*

"We have clearly heard the perspective of those who voted in the elector poll, and we recognise that councillors have been elected in part to address the issue of the University's plans for the CBD and Sandy Bay."

*Meaning: The perspective is only of those who actually voted in the poll, and is not representative of the broader Hobart and Tasmanian community. We are not wrong, it's just that our PR strategy wasn't successful, and now we need to work on the new councillors. We still believe that what we are proposing is the right way to go.*

"The new Hobart City Council will be the responsible planning authority and we will work with them to plan a way forward, particularly in relation to the future of the Sandy Bay campus."

*Meaning: The Hobart City Council is responsible for approving any proposed developments in the CBD, and must approve them if they comply with the Local Planning Scheme. So we will proceed ASAP with the plans for the city buildings so that once they're approved and construction starts there will be no turning back. (We know that the HCC is not responsible for approving the rezoning of Sandy Bay, but we'll have to convince them they should support it when we resubmit it to the Planning Tribunal).*

"To allow for this, we are withdrawing our current planning scheme amendment for Sandy Bay."

How the University best evolves to support students, staff and the State is a complex issue that impacts all Tasmanians.”

*Meaning: We will resubmit it again soon, maybe with some slight changes.*

Given the University’s mission to serve the whole of Tasmania, we will continue to engage with councils and communities throughout the State as we work to deliver high quality education and research.

*Meaning: Again, the poll only reflects the views of those in the Hobart City council electorate, which is only a minority of those affected by UTAS plans. So we will continue with our current approach. We will also continue with our current lack of engagement with the community, whilst stating we are actually “listening”.*

The electoral poll result was a rejection of the proposed relocation of the campus to the CBD. The letter does not acknowledge this, all it says is that the Planning Scheme Amendment for Sandy Bay has been withdrawn. It says nothing about the proposed developments in the city and it does not rule out resubmitting the PSA at some future date. There was an enormous push by UTAS to get the Forestry Building development approved, (the Building Application is with the HCC and has probably been approved) and construction was proposed to start by the end of the year. This is the “thin edge of the wedge”. Once it starts it will be difficult to turn back, and UTAS will claim that it cannot afford to not continue with the relocation.

The Vice Chancellor himself, when asked what would happen if the rezoning of Sandy Bay was not approved, said there was absolutely no chance the relocation would stop, it would just take longer.

The only certainty that will occur is if UTAS answers the following questions :

- Have they stopped work on the design and construction of the Forestry Building?
- Have they stopped work on the planning and design of the other proposed CBD buildings?
- Have they stopped working on the CBD Master Plan?
- Have they stopped the planning, analysis and marketing of the Sandy Bay change of use?

All of the above involves ignoring the No vote and spending millions of dollars on potentially abortive work.

We need to be very vigilant over the coming months. UTAS have spent a lot of money in developing a highly sophisticated and considered campaign to achieve its goals. It has backup plans for the current situation. But a leopard does not change its spots.

Well over a year ago, UTAS established a “Risk Register” to cover all eventualities. This is a confidential document, however the February 2021 version was leaked (it is available for all to see on the Save UTAS Group website). It specifically analyses what to do if there is significant community opposition to the relocation, or if the Planning Scheme Amendment is not approved. It is highly relevant to the current situation to look at some of these “risks”.

#### **THE RISKS COVERED IN THIS LEAKED DOCUMENT WERE:**

1. Planning Scheme Amendment (PSA) application is unsuccessful, restricted or suboptimal.

2. Environment conditions are significantly less favourable than assumptions. (threatened species, ground contamination, geotechnical issues, site drainage problems, heritage issues.
3. Compulsory Acquisition of Land by Crown.
4. Disproportionately high external (and internal supporting) infrastructure investment requirements. (unforeseen extra expenditure for road modification, traffic management, public transport, upgrading sewers, water supply, site drainage, and other site services, not enough car parking etc).
5. Local government impose restrictions on permits for subdivisions, developments and builds.
6. Anti-University community sentiment (impacting investment and/or progress).
7. Economically unfeasible (low return on investment)

#### **THE POTENTIAL CAUSES OF THE RISK.**

- Master plan does not have community or political support.
- Stakeholders omitted.
- Inadequate timeline for consultation.
- Poor stakeholder engagement strategy.
- UTAS Property Proprietary Limited (UPPL) not seen as “listening” to concerns.
- Leaking of information that has not been appropriately curated for external consumption.
- Council of Hobart elections. (*Note that even a year ago, this was considered a potential risk by UTAS*).
- Change to government policy/support on UTAS.

#### **POTENTIAL CONSEQUENCES OF THE RISK:**

- Adverse media coverage.
- Reputational damage to UTAS/UPPL.
- Protests.
- Delays or significant cost/effort spent managing stakeholder relationships.
- Lobbying of representatives of the Planning Tribunal to the detriment of UPPL with resultant restrictions on the Development Applications.
- Low investment interest from investors.
- Impact on timing and quantum of UPPL yield, Return on Investment, cashflow.
- Delay to project.
- Increase to project budget.
- Barriers to sales.
- Reputational impact of not meeting development commitments.

## **METHODS OF CONTROLLING THE RISK.**

*(See how many of these methods you can identify that UTAS has used over the past year or so!)*

- Engagement strategy developed for duration of the project.
- Comprehensive stakeholder mapping.
- Cultivate a “relationship with HCC (specifically general manager and Councillors”.
- Approach adopted that embodies listening – “we listened, we did”.
- Confidentiality Agreements for all consultants. Staff reminded of confidentiality provisions in employment agreement.
- Establish protocols for external communications.
- Scenario planning for external opposers.
- Preparation of ‘offensive’ and ‘defensive’ strategies to objections.
- Engagement of external counsel.
- Legal risk strategy.
- Lodgement of the Forestry DA. *(Note that well over a year ago UTAS already saw the importance of getting a project up and running as soon as possible so that they were seen as being committed to the relocation, with no turning back without severe financial losses).*

## **RISK APPETITE. (ie UTAS' commitment to its aims)**

- Low commitment to not meeting the desired yield on our investment portfolio.
- High commitment to pursuing commercialisation or investment opportunities to discharge its objectives (eg maximum cash returns balanced by long term value whilst providing ongoing dividend revenue to the parent} and providing commercial advisory services to its parent).
- Moderate appetite for short-term negative government and community perception arising from decisions or circumstances which may be viewed unfavourably, however, will enable the achievement of strategic objectives or maintain key relationships (eg. not criticising government policies to maintain strategic partnership).
- High appetite to utilise the Property Company model (UPPL) to realise gains on non-core university property through sale, leasing opportunities or other forms of commercialisation.

It is also of interest to note that nowhere in the above document is there any discussion of minimising risks to educational outcomes, minimising risks to increasing access to the university for students, minimising risks to the provision of social housing, or minimising risks to activating the Hobart CBD. It is all about the money.