The fateful decision in April 2019 by the UTAS Council to move the Southern Campus into the city and their disastrous execution of this strategy goes from bad to worse. The sooner the University Council sees the writing on the wall and reverse this move the better chance they will have of saving the University. Either that or resign. One case in point is their strategy for providing student accommodation which has seriously unravelled.

The UTAS Council in 2017 entered into a 30-year contract with Spark Living, a consortium of Australian and International Infrastructure Funds. This contract saw the "bed income" of 10 of the existing UTAS student accommodation facilities pass to Spark Living for a period of 30 years. In return UTAS received a lump sum payment of $133M. Spark Living receives an agreed sum, presumably indexed, of the bed rental income UTAS collects from students. At the time the then Vice Chancellor said "The proceeds from this transaction will allow us to invest further in our core business of research, teaching, the student experience, and our ongoing projects to transform Tasmania through the integration of our campuses with our cities. The partnership means capital upgrades to some of our student accommodation buildings will commence immediately." Based on the extensive buying spree in the city of Hobart in subsequent years it is hard to believe that the funds were used for the purposes espoused by the Vice-Chancellor.

Spark Living consortium then entered into a further contract with UTAS to receive rents in return for their financing the building of 42 Melville St (422 beds) which was constructed between 2019-2021. It is hard to believe that both contracts did not include minimum threshold payments by UTAS to Spark, irrespective of actual rental returns. The Covid years of 2020-2022 will have seen net outgoings exceed incomings. These contracts with Spark have forced the University to prioritise the occupation of the more capital expensive city residences which will more easily meet the expected returns by Spark's investors.

Where does 157 Elizabeth St (Hobart Apartments), built 2015-2017, fit into this arrangement with Spark? Was the finance for construction part of the original $130M? Is Spark Living involved?

A side observation is that both 157 Elizabeth St and 42 Melville St were built with financial assistance grants from both the Government of Tasmania and the Federal Government through the National Affordability Scheme (NRAS) which "encourages large-scale investment in affordable housing. It offers tax and cash incentives to providers of new dwellings, provided they are rented to low, and moderate, income households at 20% below market rates". It is hard to see that these accommodations meet this definition and the financial arrangement between UTAS and Spark works against this noble objective. In actual fact the rents demanded by UTAS for both these residences bear this out. For a single bedroom with shared cooking facilities the minimum rent is in excess of $300 per week. Parking for these students in the city are additional costs. A casual search for equivalent accommodation in the city and inner suburbs shows that these rents are amongst the most expensive available. What student would want to choose these facilities? The deceit across all levels of this UTAS initiative is clear.

For the foreseeable future, as a result of the stalled UTAS move of faculties into the city (apart from the discredited and budget-blowing Forestry/Freedom Furniture development) a large percentage of the students living in these city accomodations will have to travel to Sandy Bay! This means students are being bussed to Sandy Bay at the cost of UTAS. Meanwhile students living on the Sandy Bay campus or those who can find parking on the Sandy Bay campus more easily and cheaper than the city, are being bussed into the city to attend classes. In the case of the Business School, these are in rented space in the KPMG and Vodaphone buildings. This while their faculty spaces in Sandy Bay are vacant and unused! Is it any wonder that UTAS are hell bent in transitioning to on-line learning at every opportunity. The two City Hopper buses each make 10 round-trip from city stops and Sandy Bay each day.

To further compound this madness a brand-new accommodation facility, known as the Annexe, was constructed in 2020 on the Sandy Bay campus ostensibly to house overseas students. This was financed directly by UTAS and consists of 53 full-size containers, each consisting of three (3) single-bed student bedrooms i.e. total capacity 159 rooms. There is a single shared cooking facility provided and limited parking. The capital cost of this Project including container conversion costs and fitout, earthworks, foundations, walkways and stairs, services and consultant costs was upward of $5M with basic container lease an annual recurring cost. Currently not a single room is occupied!

Further questions also arise about the strategy behind the 2018 purchase of Hobart Mid City Hotel and Fountainside Hotel, both purportedly for student accommodation. Conversion costs for this purpose were in excess of $25M. Both buildings are now leased by UTAS to a Hotel chain and the State Government for tourist accommodation and short-stay health professional, respectively. How long can these ridiculous arrangements be sustained?

Website extracts:

An innovative new partnership will unlock capital in the University of Tasmania's student accommodation assets, allowing for greater investment in the institution's core priorities: research, teaching and the student experience.
The Spark Living consortium, which includes DIF and Tetris Capital, has been awarded a 30-year licence arrangement for 10 of the University's 14 purpose-built accommodation properties.
Professor Calford said.
"The proceeds from this transaction will allow us to invest further in our core business of research, teaching, the student experience, and our ongoing projects to transform Tasmania through the integration of our campuses with our cities. The partnership means capital upgrades to some of our student accommodation buildings will commence immediately."

The NRAS is an Australian scheme that reduces rental costs for low to medium income households and increases the the number of affordable rental housing through offering financial incentives for housing providers to decrease their rent significantly.

The Scheme was implemented in 2008 and will conclude in 2026.

Rent under the NRAS will usually be roughly 20-25% below the market rate - determined by indexing the property against similar properties in the area.

The National Rental Affordability Scheme (NRAS) encourages large-scale investment in affordable housing. It offers tax and cash incentives to providers of new dwellings, provided they are rented to low, and moderate, income households at 20% below market rates. The NRAS is no longer taking new investments.