

***DEFINING A NEW AND  
BETTER FUTURE FOR THE  
VCA***

**A submission to the VCAM Review panel on behalf of**

**Noel Turnbull  
The Hon Dr Race Mathews  
Lynne Landy  
Noel J. Denton RFD ED**

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## EXECUTIVE SUMMARY

The submission signatories propose that the Review recommendations should include the following points which are taken *seriatim* from this submission:

1. An urgent priority for the Review is to articulate a vision – and a set of pedagogical principles and practices - which define what is unique about the VCA and its role in Victoria, Australia and internationally.
2. The pedagogical principles embodied in the VCA's pentagram emblem and the Educational Specification are as valid and relevant today as they were in 1974 and should be re-affirmed and endorsed by the Review.
3. The Review should recommend objects and purposes for the VCA which are consistent with the VCA's founding vision. The original philosophy and approach, and its practical implications, should inform any recommendations the Review makes.
4. One of the key VCA roles continues to be the furtherance of the cultural life of the community of which it is part and this can only be achieved by constructive and transparent dialogue between the VCA and its stakeholders.
5. We submit that the Review should recommend, in strong terms, that the VCA purpose must be firmly anchored in serving the community and that the Review should recommend a governance model and stakeholder consultation mechanisms which help achieve this purpose – both to secure the ongoing VCA role in the community and to repair any reputational damage which has recently occurred.
6. The Review should endorse the Wilin Centre's aims and objectives and recommend that it does not suffer the same fate as Music Theatre and Puppetry.
7. The Review should find that the VCA's role continues to be vital to Victoria's cultural life; the competitive environment is intensifying and that capital, equipment infrastructure, increased operational funding and high-quality staff-student ratios are essential to the VCA and Victoria in maintaining its competitive position in the world of fine and performing arts.
8. The Review should, before forming any conclusions, obtain more specific data from the University and then distribute it to parties seeking to make submissions allowing time for further submissions on the basis of the new evidence.
9. The Review should clearly define what the Faculty is entitled to under the Federal Government's funding cluster and what additional monies the University provides and for what purposes.
10. The Review should establish the precise level of the overheads, and percentage of revenue they represent, imposed on the Faculty by the UoM. If necessary the Review should commission independent research to ascertain both the real net levels of these transfers and the appropriate benchmarks for overhead comparisons.

11. The Review should calculate:

- The financial benefit to the University of the transfer of land at the value at the time of the merger, the current value, the likely value in the next decade based on trends in the precinct and the probable impact of depreciation of existing buildings and facilities.
- The potential generation of surplus funds from re-development funded through a private-public joint venture in which the institution's contribution would be the land. These could be based on work based on the current campus Master Plan and estimates by an independent valuer.

12. The Review should recommend measures such as building and equipping a new Melbourne Music School at the Southbank campus which will house ANAM, the Australian Youth Orchestra and the Faculty Music School; and, the re-development and modernisation of the Art School buildings discussed above to create a world-class campus.

13. In considering future funding for the VCA we submit that appropriate benchmarking options are institutions such as Emily Carr University, Glasgow Art School, Royal College of Music, RADA, Royal Academy of Music, emerging Asia-Pacific institutions, NIDA and the AFTRS.

14. We submit that the Review should produce a comprehensive current benchmarking comparison and, based on that comparison, make a recommendation as to whether the current funding level is appropriate to enable the VCA to fulfil its full potential to help develop Victoria's cultural life while contributing to innovation and economic development through creative industries.

15. The Review ought to calculate the potential benefits realisation of this investment to the Victorian economy.

16. The Review should recommend (consistent with the 2007 VCA Strategic Vision) that the VCA has the capacity to play a role in the social and economic development of Victoria and that, whatever the structural outcome of the Review, a joint working party comprising the Faculty, Governments and other sections of the arts industry be established to explore new ways to use arts training and education to foster innovation, IP commercialisation, knowledge transfer and contribute to creative economic and social development.

17. The Review's recommendations should recognise the VCA's contribution in community social development and recommend that this VCA role be maintained and expanded.

18. We submit that the Review should work from the principle that it ought to aim to produce an independent, authoritative, evidence-based report on the ideal future funding and governance for the VCA irrespective of the Discussion Paper or existing arrangements and government policies.

19. The Review should adopt this submission's recommendations for the Australian University of the Arts/College of the Arts, the sustainable funding model for the College, the proposed school structure and the proposed governance model.

*Note: This submission refers throughout the VCA. This is the institution about which we are concerned and our proposals relate to how that institution could be re-constituted in a manner in which its contributions to Victoria and Australia can be continued.*

## A. INTRODUCTION

The signatories to this submission are Noel Turnbull, The Hon Dr Race Mathews, Noel J. Denton and Lynne Landy. It has been prepared following consultation with a range of VCA stakeholders. Please note that some individual signatories may also be lodging personal submissions on specific issues.

The submission recommends a series of measures which would:

1. Articulate a new vision, objects and principles for the VCA;
2. Create a new governance model under new leadership which would enable the VCA to build on the achievements of the past and the opportunities which are emerging in the arts, and contribute to Victoria's and Australia's innovation and creativity; and
3. Establish sustainable funding benchmarks and models derived from national and international sources.

The submission is predicated on the assumption that the Review will not confine its deliberations to what is possible within the current context but will, rather, make recommendations which will provide independent, authoritative, innovative, evidence-based best practice benchmarks which will guide and inform further debate by the University, Governments and the community about the future of the VCA.

We have been informed that staff and others have been advised by Faculty management that the Review will not be giving much weight to individual submissions preferring to focus on submissions from industry groups and institutions.

We would urge the Review to make it clear that it values, and will take due account of, all submissions. Moreover, while this is a submission by individuals it is made by two former Chairs of the VCA Advisory Board, the former Arts Minister, and the former VCA Administrator (equivalent to General Manager/Deputy Dean Administration) which should be ample qualification for substantive input to the Review

The submitters acknowledge their debt to the work undertaken by the Victorian College of the Arts Council in 2006-2007 to articulate a strategic vision and planning framework for the VCA's future. The draft of this strategic vision work is extensively drawn on but individual citations are not provided for all material drawn from it.

The submitters also give the Review permission to put the submission on the Review website.

## B. A VISION AND CONTEXT FOR THE VCA

**The most striking feature of the Defining the Future for the VCA Discussion Paper prepared by the University of Melbourne is the absence of a powerful, inspirational vision for the VCA.**

The closest thing to such a vision in the Discussion Paper is extracts from the Heads of Agreement which laid down procedures for the merger between the VCA and the University of Melbourne.

**We submit that an urgent priority for the Review is to articulate a vision – and a set of pedagogical principles and practices - which define what is unique about the VCA and its role in Victoria, Australia and internationally.**

Such a statement of vision, principles and practice should encompass:

### **B.1 Principles**

The foundation for the principles which should underpin the vision are the principles laid down by the first Director, Dr Lenton Parr AM, in September 1974 in the original Educational Specification for the Victorian College of the Arts.

In the introduction to the Specification then VCA Council President, Sir John Reid, said: “The general nature of tertiary institutions ...is now well documented and well understood...For this reason, it is deemed appropriate to assume that the greatest need is to direct attention to those areas *in which the College expects to develop in a way which is different from the general patterns, rather than to state the obvious and those things which the College will have in common with other institutions* (emphasis added)”

“It is in the ‘differences’ that the Victorian College of the Arts will develop its identity,” Sir John said. **This vision of “difference” was nurtured from 1972 to 2008 but is now under serious threat.**

At the same time the VCA adopted an emblem in the form of a Pentagram, a traditional symbol of the five senses.

The Educational Specification said of the emblem: “It thus refers to the various modes of perception and, by implication with their aesthetic functions in the various arts. The five principal curves comprising the figure are in reality a single continuously interweaving band and this alludes to the unity and interrelation of the several arts which the College seeks to promote.”

The systematic removal of this emblem from all form of identification of the new Faculty is both symbolic of the problems the Review needs to confront, and indicative of the new administration’s attitude to the VCA’s heritage, achievements and direction.

**We submit that the pedagogical principles embodied in the emblem and the Educational Specification are as valid and relevant today as they were in 1974 and should be re-affirmed and endorsed by the Review.**

## B.2 Objects and purposes

The first objective and purpose of the VCA, as stated in the Educational Specification, was: “To serve the community and in particular the citizens of Victoria by fostering the development and improvement of, and providing for, education in the fine arts and the performing arts.”

The first VCA Council adopted a statement encapsulating that objective: “The objects of the College shall be to advance learning, knowledge, appreciation and competence in the fine arts which, for the purpose of the College, shall be defined as those activities primarily or substantially directed to the creation, design, composition, interpretation, display, publication or performance of works of an aesthetic nature, and of their conservation and elucidation.”

While these statements – probably fortunately – are free of the combination of ‘arts speak’ and managerial gibberish which permeate more modern academic management discussion, they provide a compelling guide to what the Faculty’s vision should be.

**We submit that the Review should recommend objects and purposes for the VCA which are consistent with this founding vision.**

## B.3 Educational philosophy

The Educational Specification (ES) recognised that “It is in the nature of the creative and interpretive arts that they achieve excellence through the cultivation of individual talents.”

The ES summarised its educational philosophy by stressing:

- The need to prepare students for their ‘vocation’ not only in the sense of employment but also in the more specialised sense of ‘calling’.
- The avoidance of set syllabus and emphasis on “extemporised and exploratory collaboration.”
- Some group classes of up to 12 or 15 but “for more intensive studies groups will vary in number from one to five or so.”
- ***“Emphasis is placed on practice. Theoretical studies are engaged in primarily because they inform and stimulate practice, but their value as agents of broadening experience and liberalising thought is not neglected,”*** the ES said.

Over the history of the VCA this philosophy has been developed to produce a multi-intelligence educational philosophy. This has meant that practice-based learning has evolved to be a distinctive pedagogical approach distinct from, for instance, solely competency-based training.

Successive VCA curriculum reviews in fact created a pre-cursor to the Melbourne Model, with emphasis on both generic learnings across the art forms as well as specifics of each discipline.

In recent years there have been two major VCA curriculum reviews. The first was when the VCA affiliated with the University in 1993, and the second in 2000 when the entire undergraduate curriculum was reviewed by a curriculum audit committee chaired by Sir Ken Robinson, an internationally-renowned expert in creativity and innovation in education and business. This led to the design of the common curriculum and Centre for Ideas which is, conceptually, not unlike the Melbourne Model although better integrated into a system of practice-based learning and education.

**We submit that this philosophy and approach, and its practical implications, should inform any recommendations the Review makes.**

#### **B.4 The VCA and the community**

The inaugural VCA objects and purpose included a statement that the purpose of the VCA stemmed from its need to serve the community (See reference to VCA 1974 objects and purposes above). That VCA role continues to be vital and the Review should recognise the controversy and factors which are currently impinging on that need to engage with and serve the community.

Indeed, in the past year or so the VCAM management has, most regrettably, been more at war with the community, and the arts community in particular, than serving it.

**We submit that the role of the VCA continues to be the furtherance of the cultural life of the community of which it is part and that this can only be achieved by constructive and transparent dialogue between the VCA and its stakeholders.**

This can only be achieved by bringing the public into the College and involving its members, staff and students outside the VCA.

In the past year this principle has been grossly neglected. Decisions have been made without community consultation and with limited consultation with staff and stakeholders. The situation has been inflamed by statements, such as those (made in public forums, on radio and at meetings), by the current Dean, “that the VCA no longer exists” and actions which have tried to make this statement a reality. These actions range from the petty – the systematic stripping of the VCA name and emblem from everywhere within the Faculty – to destruction of courses and staff reductions.

The Faculty management and the University have treated the community controversy this has created as an ‘issue’ to be managed rather than a manifestation of community concerns which reflected anger about threats to the special role of the VCA in Victorian life.

This approach has added to public controversy which – along with issues such as the failed Melbourne Business School merger – has impacted negatively on the reputation of both the VCA and the University.

It is arguable that the simultaneous controversy in both the Victorian arts and business communities has been compounded by the significant overlap between the two community networks.

**We submit that the Review should recommend, in strong terms, that the VCA purpose must be firmly anchored in serving the community and that the Review should recommend a governance model (see later) and stakeholder consultation mechanisms which help achieve this purpose – both to secure the ongoing VCA role in the community and to repair any reputational damage which has now occurred.**

### **B.5 The VCA and its achievements – what is at stake**

The VCA has been Australia's premier multi-disciplinary arts training and education institution recognised nationally and internationally for the achievements of its alumni in Australia and on the world stage.

One of the reasons Melbourne is seen as Australia's cultural capital is because of the large number of VCA graduates who have contributed their artistic excellence to Victoria.

It trains educated, articulate and committed artists who contribute immensely to the development of Victoria's social and cultural life. Given the Government's commitment to the role of creative industries in economic development, the VCA's crucial role in training and educating people who contribute to these industries is also contributing to the Government's economic priorities.

The educational philosophy has manifested itself in the practical structure of courses combining advanced studies in art, dance, music, drama, theatre production, film and television, community cultural development and with specialist arts training and performance access and introductory programs available to all Victorians. Two specialist centres embodied VCA's commitment to Indigenous cultural development (the Wilin Centre) and to the principle of breadth in education (the Centre for Ideas).

The Wilin Centre is a distinctive facility, supported by philanthropic funding, which provides extensive support for indigenous students, coordinates programs of its own while also ensuring that the students are able to conduct their studies within the mainstream VCA courses. It is an excellent case study of both what the VCA has achieved and what is at stake in the current situation.

The Wilin Centre's initial seven year strategy was based on a unique model of cultural transformation. It went beyond the usual university approach of focussing on indigenous recruitment and graduation to one in which the whole campus - staff and students - was provided with opportunities to be taught by indigenous artists, meet indigenous leaders and experience indigenous life. The aim was to ensure the VCA community was acquainted with indigenous people, cultural values and artistic sensibility thus engendering the understanding and respect necessary to reconciliation. In practical terms this also resulted in the VCA achieving among the highest retention rates for indigenous students among tertiary institutions.

Significantly the Wilin Centre is currently under review by an external consultant from Anzarts-Institute, an organisation of which the current Dean is a Director. While not suggesting in any way that the Dean has acted improperly in the matter, it is unfortunate that such a situation creates a perception of conflict of interest. When initial inquiries were made to university spokespeople about the Review requests were deflected and the fact of the review was not confirmed. We have been unable to ascertain whether the consultant has relevant indigenous support to negotiate cultural sensitivities or a significant track record in the Australian indigenous field.

The Wilin Centre has been a significant VCA achievement and is under threat of the same fate as courses such as Music Theatre and Puppetry.

**We submit that the Review should endorse the Centre's aims and objectives and recommend that it does not suffer the same fate as Music Theatre and Puppetry.**

The VCA and its forebears have been the training ground for famous and celebrated artists including Frederick McCubbin, Tom Roberts, Arthur Boyd, Hannie Rayson, Gillian Armstrong, Ricky Swallow, Cheryl Barker and Peter Coleman-Wright, Sarah Watt, Bill Henson, and Adam Elliot.

VCA graduates are regularly recognised as leading creative artists in awards and arts programs throughout Australia and around the world. Their origins are strongly emphasised as being from the VCA, making VCA a household name and a stronger brand in the education market. The recognition has included:

- For the 12<sup>th</sup> time, artists chosen to represent Australia at the 2007 Venice Biennale were VCA alumni
- The winner of the 2004 Oscar for best animated short film was Adam Elliot a VCA graduate and in 2006 another VCA graduate, Anthony Lucas, was nominated for the same award for the film *The Mysterious Geographical Explorations of Jasper Morello*.
- In 2010 VCA Graduate, David Michod's, film *Animal Kingdom*, won the top prize at the Sundance Festival.

The VCA's postgraduate puppetry program was, until it was cancelled last year, unique in Australia and one of only several in the world. Its work was a central element in the spectacular success of the Melbourne Commonwealth Games and the Sydney Olympics. The VCA Puppetry course developed cultural and intellectual capital in demand around the world (eg in Aichi Kuala Lumpur and Doha for the Asian Games opening and closing ceremonies). Despite this world-class performance the course was unilaterally closed by the current Dean without consultation with the Advisory Board or donors who made the courses possible. This decision epitomises both the short-sightedness of the current management approach and the failure to recognise the role of the VCA in developing innovative activities and opportunities for Australia. The short-sightedness of this decision was further highlighted when a Melbourne-based animatronics company with extensive contracts overseas announced that it may have to close because its source of skilled staff was the VCA Puppetry course.

The extent and impact of VCA graduates can be gauged on any night of the week by attending a Melbourne arts or cultural performance and reading the program. The lists of actors, musicians, production staff and other personnel consistently reflect the range and skills of VCA graduates. It is significant that VCA graduates are also found in nearly all major orchestras in Australia, on Australian and international stages, in dance companies here and overseas, and in all the other performing arts - as well the visual and screen arts - around the world.

## **B.6 The VCA, Melbourne and the competitive environment**

Melbourne's long artistic tradition and the VCA's role in that tradition has helped make the city an important cultural centre and has contributed enormously to Melbourne's reputation as a liveable city.

But the national and international competition is intensifying. Australian and Asia-Pacific region cities are implementing far-reaching, well-funded cultural development plans including massive support for arts training and education.

This cultural development is a key part of the race to win competitive advantage in the emerging creative economy.

Without equivalent support for Victoria's own world-class arts training and education institution Victoria's cultural status will be diminished and its comparative economic prospects damaged. Moreover, if the current trends with the Faculty continue, the institution will become just another faculty in just another university and cease to be a unique source of competitive advantage as the VCA image, identity and strong brand are lost in the vastness of the university.

The extent of this competition and the investment which underpins it is indicated by:

- The 2001 \$145 million Sydney Conservatorium re-development
- Commitment of \$60 million to create a Creative Industries Precinct in Queensland that includes a QUT Creative Industries Faculty.
- The 2001 opening of a Multimedia Building for teaching and research facilities for the School of Information Technology, School of Arts and Queensland Conservatorium.
- A new theatre costing \$8.5 million at the Western Australian Academy of Performing Arts opened in 2004.
- \$8 million dollars in new facilities at Adelaide's Elder Conservatorium of Music opened in 2005.
- The Singapore Government's investment in capital and recurrent activities such as the A\$55 million new campus for the Nanyang Academy of Fine Arts and A\$55 in a new city campus for the Lassalle SIA School of Arts which already has operating funding equivalent to 25% more than the VCA's per student funding.
- Chinese Government investment of A\$14 million in the Hong Kong Academy for the Performing Arts and a new 120,000 square metre purpose built campus for the Shanghai Institute of Visual Arts.

Significantly, all the models emerging in Asia echo the VCA multi-disciplinary, multi-intelligence approach – demonstrating the validity of the VCA model and the competitive environment in which it needs to operate. Such a model did not exist anywhere else in the world until the VCA incorporated the final school, Film and TV. It is significant to reflect on the fact that in the early days of the VCA development the Director and Administrator visited colleges around the world to establish how they operated in the community and within their own environments. From the early 1980s onwards representatives of many of these institutions were themselves visiting the VCA to find out what made the VCA so highly regarded around the world for its teaching programs and its place in the community and the arts.

**We submit that the Review should recommend that the VCA’s role continues to be vital to Victoria’s cultural life; the competitive environment is intensifying and that capital, equipment infrastructure, increased operational funding and high-quality staff-student ratios are essential to the VCA and Victoria maintaining its competitive position in the world of fine and performing arts.**

### **C. DATA NEEDS**

While this submission has drawn on the submitters’ knowledge and the work of the VCA Council all submissions to the review are handicapped by the lack of essential current data, both from the University and in the Discussion Paper, about the current state of the VCA. Our recommendations so far on what the Review should consider concluding from its work are based on existing available data. However, more finely granulated data is necessary before any decisions on the future of the VCA can be made and people.

**We submit that the Review Panel should, before forming any conclusions, obtain the following data from the University and then distribute it to parties seeking to make submissions allowing time for further submissions on the basis of the new evidence.**

Specifically, the Review should obtain, and make generally available:

1. Details of staff and student departures in each of the years 2008, 2009 and 2010 and the reasons for the departures.
2. How the departure rates compare with average departures across appropriate faculties around Australia.
3. All proposals for re-structure which have been prepared in 2008, 2009 and 2010 and details of the status of each in 2010.
4. All details and documentation relating to how and when the decisions to close Puppetry and Music Theatre programs were made.
5. Details of all the space currently occupied by the VCA the Southbank site including total area, occupiable area, ownership, value and payments made to the University for use of the space, including the reasons for such payments.
6. Details of any proposed non-Faculty uses, such as for the proposed Institute of Art History, for which the University (not the VCA) has committed space at the Southbank site.

7. Details of all consultancy projects commissioned by the University about the VCA, or the VCA itself, in 2008, 2009 and 2010 including details of the companies or individuals retained, the cost, the reports provided, the tender process and the results of any evaluation of the project.
8. Details of any consultancies undertaken to re-name or re-brand the VCA including the costs, tender processes and reports prepared.
9. Details of amounts raised through fund-raising for the VCA in 2008, 2009 and 2010, the sources of such funds and the financial performance of VCA endowments now managed by the UoM.
10. List of all trust accounts of which the VCA is a beneficiary including all drawings on the accounts in 2008, 2009 and 2010.
11. Details of all positions advertised by the VCA in 2008, 2009 and 2010 and the process of appointment in each case.
12. Details of the membership and activities of the VCA Advisory Board and all course advisory committees since 2008.
13. Details of the latest iteration of the Master Plan for the development of the Southbank site.
14. A detailed itemisation of all financial transfers between the Faculty and the University of Melbourne specifying the origin of funds transferred; the purpose of the transfer; and any evaluation of value for money undertaken for all transfers from the Faculty to the University.
15. Details of when the Dean's contract expires, the result of any review at the end of her probationary period, and details of the basis on which the contract be terminated.

## **D. FINANCE**

The detailed financial information requested above is necessary because it appears that financial data provided by the University in the Discussion Paper and in public statements might not provide all the evidence on which sound recommendations could be made. In particular the data above is necessary to evaluate a number of issues discussed below.

### **D.1 Transfers**

The University has made a number of claims about the cost of transfers from the University to the VCA. While these transfers were mandated by the former Commonwealth Minister for Education, Dr Brendan Nelson, we are unclear as to the real current value of these transfers. Indeed, the University now seems to be suggesting that they are subsidising the VCA to a greater extent than that forced upon them by the previous Federal Government. Questions such as whether they include the per capita student funding provided by the Government as well as the mandated transfer figure need to be answered before meaningful submissions can be made and conclusions formed. It sometimes also appears from the University statements that the VCA is the only Faculty receiving such transfers and subsidies. The Review might usefully explore the experience of other Faculties and whether the VCA situation (beyond the government direction) is unique.

**We submit that the Review should clearly define what the Faculty is entitled to under the Federal Government's funding cluster and what additional monies the University provides and for what purposes.**

## **D.2 Overheads**

The Review should also establish what the net impact of all transfers between the Faculty and the University is. It would appear that VCA payments to the University have increased significantly as a result of the high level of University overheads.

**We submit that the Review should establish the precise level, and percentage of revenue they represent, of the overheads imposed on the Faculty.** In 1970s VCA administrative overheads were 20% , and immediately prior to the merger VCA central administrative overheads were at around 23%. It appears that overheads – ie total overheads including the cost of all staff not involved in teaching and research – may constitute close to 50% or more of revenue. We are simply unable to confirm this one way or the other. However, the level of overheads is a key indicator of value, effectiveness and efficiency.

Once these precise levels are established the Review should seek to benchmark them to allow further evaluation of their value and effectiveness.

In particular the Review should consider the appropriateness of using Group of 8 overhead levels for institutions such as VCA.

It could also benchmark the University overhead levels against other categories of universities; institutions such as NIDA, AFTRS, other service industries and international institutions such as the Royal College of Music, Royal Academy of Music, Trinity College of Music, University of the Arts London, Laban Contemporary (London).

Individuals submitting to the Review are handicapped in their capacity to gather the information about the transfers or the benchmarks. The University figures provided seem to have been prepared in conjunction with the University Public Relations staff to paint a specific picture consistent with their view of the subsidies.

**We therefore further submit that the Review should commission independent research to ascertain both the real levels of transfers and the appropriate benchmarks for overhead comparisons.**

## **D.3 Site value**

Discussion of the net impact of transfers also needs to be informed by discussion of the value of the land transferred to the University at the time of the merger and the re-development potential.

On the face of it the Commonwealth Government forced the UoM to subsidise the VCA by \$4 million and the UoM is now charging VCA \$6 million in rent on premises and land which were provided to the VCA in 1973 without cost to the VCA and was subsequently gifted to the UoM as a result of the VCA-UoM merger.

The VCA buildings erected after 1973 were financed by grants from the State and Federal Governments and philanthropy. The UoM's contribution to this was miniscule prior to amalgamation. We recognise that the the UoM did honour a commitment to the Film and TV school upgrade (\$5 million) and that the land ownership issue is complex. However, on any reading the UoM did extremely well out of the deal with the State in 1993-94. In this context the \$6 million "rental" bill is of dubious morality. The "rental" bill, along with other transfers, has seemingly loaded the VCA with debt which then became the justification for being able to claim the VCA needed to drastically cut staff and courses.

An indication of a more equitable arrangement is provided by the Victorian College of Pharmacy which is now part of the Faculty at Monash University. The College does not pay rent on any of the buildings that existed prior to the College's affiliation with Monash.

We estimate that the site may be worth more than \$100 million although no recent valuation has been undertaken. On the current site of the School of Art there is significant potential re-development value in the form of a new development which meets VCA needs mixed with commercial and residential development consistent with the Southbank precinct.

**We submit that the Review ought to calculate:**

- **The financial benefit to the University of the transfer of land at the value at the time of the merger, the current value, the likely value in the next decade based on trends in the precinct and the probable impact of depreciation of existing buildings and facilities.**
- **The potential generation of surplus funds from re-development funded through a private-public joint venture in which the institution's contribution would be the land. These could be based on work based on the current campus Master Plan and estimates by an independent valuer.**

These calculations and estimates would enable the Review to assess the net benefits and cost to the University and the VCA of the transfer of land, and more importantly, indicate whether there is a source of funds independent of the University and governments to help fund independent status for the VCA.

#### **D.4 Site development**

While all tertiary institutions have been handicapped by limitations in Government funding, we believe it is important that the Review not confine itself to the operational and educational matters outlined in the University Discussion Paper.

To provide an independent and authoritative sound evidence-based foundation for further community debate the Review should also consider what further development is necessary to create a world-class campus for the VCA which would enhance its competitive position.

**We submit the Review should recommend measures such as building and equipping a new Melbourne Music School at the Southbank campus which will house ANAM, the Australian Youth Orchestra and the Faculty Music School; and, the re-development and modernisation of the Art School buildings discussed above to create a world-class campus.**

#### **E. BENCHMARKING**

As well as benchmarking overhead levels there also needs to be benchmarking of the VCA against appropriate institutions to measure best practice funding and staffing levels.

In this respect we believe it is inappropriate to simply benchmark the VCA against other faculties in other Australian universities as this ignores the unique multi-disciplinary, multi-intelligence approach of the VCA and risks using lowest common denominators for benchmarks.

**We submit that appropriate benchmarking options are institutions such as Emily Carr University, Glasgow Art School, Royal College of Music, RADA, Royal Academy of Music, emerging Asia-Pacific institutions, NIDA and AFTRS.**

In the development of the 2007 VCA Strategic Vision and Planning Framework document the VCA discussed the levels of funding for various institutions compared with the VCA. That comparison showed that the VCA's Commonwealth funding per student was substantially less than that of its major competitors.

The analysis showed that:

- NIDA receives more than twice the Commonwealth funding per student that VCA Drama and Production receive.
- Commonwealth funding per student for the AFTRS is more than eight times that of the VCA School of Film and Television.

The following information, sourced from the VCA April 30 2008 submission to the Review of the National Innovation System, illustrate these differences as well as differences between the VCA and overseas institutions and the steady erosion of funding for arts specialist studio-based training and education.

“The funding of higher education institutions that utilise specialist intensive studio-based practice to train and educate the next generation of innovative and creative artists has fallen well below international benchmarks and is inadequate for the training of people capable of contributing to Australia's national innovation system. Table 1 shows funding levels per student for selected specialist UK visual and performing arts institutions”, the submission said.

**Table 1. Funding levels per Equivalent Full-Time (EFT) student for selected specialist UK visual and performing arts institutions**

Institution	Training cost per EFT student in A\$
Royal College of Music	\$34,616
Royal Academy of Music	\$34,911
Trinity College of Music	\$31,596
University of the Arts London (Art & Design)	\$25,051
Laban Contemporary Dance	\$31,434
Conservatoire for Dance and Drama (London)	\$21,951
<b>Average</b>	<b>\$29,926</b>

When compared with the Department of Education, Employment and Workplace Relations (DEEWR) 2008 Commonwealth Grant Scheme allocation for the visual and performing arts of **\$15,201** it becomes clear how the DEEWR funding is lagging well behind international standards.

This is compounded by what the submission described as “a counterproductive and discriminatory dichotomy in the Commonwealth funding of arts training and education organisations based solely on the source of funding and historical accident.”

Table 2 shows the funding discrepancies between institutions funded through the Commonwealth Grant Scheme administered by Department of Education, Employment and Workplace Relations (DEEWR) and those supported by direct funding from the Department of the Environment, Water, Heritage and the Arts (DEWHA). The submission said, and we support its comments, that “this funding discrepancy in no way reflects comparative performance or graduate success of the relevant institutions. There is no transparency in the funding rationales that underlie the discrepancy.”

**Table 2. Comparison of DEWHA and DEEWR funding per student in the intensive, practice-based visual and performing arts (2006-08)**

Institution name	Commonwealth funding source	Commonwealth Funding per student	Difference to VCA funding
<b>VCA</b>	DEEWR	\$15,201 (2008)	-
<b>NIDA</b> (National Institute of Dramatic Arts)	DEWHA	\$32,542 (2006)	+214%
<b>AFTRS</b> (Australian Film Television and Radio School)	DEWHA	\$143,700 (2007)	+945%
<b>ANAM</b> (Australian National Academy of Music)	DEWHA	\$63,585 (2006)	+418%

The submission argued that “DEWHA is the Commonwealth ministry best placed to assess the costs associated with the training and education of professional artists. DEWHA’s funding levels are a clear recognition of the high costs involved in world-class, intensive practice-based training and education for the visual and performing arts.”

Differences in recurrent funding mechanisms make strict benchmarking comparisons with Asian competitors difficult. But recent capital and recurrent investments in the Asian region may be taken as indicators of general government support for comparable institutions and confirms that substantial government investment in capital and recurrent activities is occurring in competitor countries.

In Hong Kong the 2006-07 annual recurrent funding for the Hong Kong Academy for Performing Arts is \$A26.5 million (A\$35,500 per EFT student). Throughout China a massive investment is being made to upgrade facilities and ongoing funding through government and cultural industry contributions, e.g. Shanghai Institute of Visual Arts (SIVA) and the Beijing Film Academy.

In Singapore:

- The government has invested A\$55 million in a new campus for the Nanyang Academy of Fine Arts (NAFA).
- The government has invested A\$72 million in a new city campus boasting 35,000 m<sup>2</sup> of floor space for the Lasalle SIA School of the Arts. It opened in January 2007. Lasalle already has around 25 percent more operating funding per student than the VCA with ample provision for scholarships and masterclasses.

It should also be stressed that this discussion of benchmarks is not just a question of financial comparisons. It goes to the very heart of the best way of training and educating artists and what students want from such training. Teaching in the arts is necessarily more expensive than some other forms of teaching based on cost per student. For instance, the atelier model in fine arts needs an artist teacher working on a one-to-one basis with students for a large part of their teaching time. Training singers needs both a teacher and an accompanist for part of the teaching time. Teaching an instrument requires at least one hour a week between one teacher and one student, yet orchestral practice sees one conductor working with many instrumentalists. Similarly, a duo in music or dance needs one teacher for two students. This is the very nature of teaching in the arts. However, schools at the VCA operate on far smaller numbers than at a university so that there is a high cost per student for modest numbers of students. The levels of funding provided at the national and international institutions in Tables 1 and 2 above reflect this reality. The current UoM and Faculty management approach to cut staff, change student ratios and reduce courses will inevitably reduce standards compared with these other institutions and what the VCA has been able to achieve in the past.

This makes the Review’s consideration of appropriate, benchmarked comparisons crucial. It is not an artificial UoM imposed benchmark which ought to be adopted but one based on national and international best practice.

**We submit that the Review should produce an updated benchmarking comparison and, based on that comparison, make a recommendation as to whether the current funding level is appropriate to enable the VCA to fulfil its full potential to help develop Victoria’s cultural life while contributing to innovation and economic development through creative industries.**

**We further submit that the Review ought to calculate the potential benefits realisation of this investment to the Victorian economy.**

These comparisons and calculations of benefits will help the Review to make evidence-based recommendations to the University and Governments on appropriate levels of funding and investment in the VCA without being constrained by existing Government and University policy. Government and the community will, with the Review’s recommendations, then be able to assess whether existing policies should be changed.

## **F. OPPORTUNITIES**

### **F.1 Economic development**

We have discussed earlier some competitive market trends in arts training and education – particularly the transformation in arts training and education provision in the Asia-Pacific region.

This transformation is recognition that creative industries are now a key source of competitive advantage for cities and nations. Pricewaterhouse Coopers has found: “The creative industries represent seven per cent of the world’s GDP (World Bank 2004) and are forecast to grow at 10 per cent per year.”

There are also opportunities for arts training and education to play a role in Government’s innovation agendas.

The VCA has already contributed enormously to Victoria’s creative industries and culture and this contribution could be greater with increased funding and investment.

**We submit that the Review should recommend (consistent with the 2007 VCA Strategic Vision) that the VCA has the capacity to play a role in this development and that, whatever the structural outcome of the Review, a joint working party comprising the Faculty, Governments and other sections of the arts industry be established to explore new ways to use arts training and education to foster innovation, IP commercialisation, knowledge transfer and contribute to creative economic and social development.**

### **F.2 Social development**

In terms of opportunities for social development the VCA has a successful track record in fostering cultural partnerships and runs the only Australian tertiary-level course in Community Cultural Development.

There is strong evidence of the value of arts education in schools which benefit socialisation and development. There is equally strong evidence that community cultural development partnerships can be more successful with marginalised groups than traditional social welfare programs.

**We submit that the Review's recommendations should recognise the VCA's contribution in this area recommend that this VCA role be maintained and expanded.**

## **G. GOVERNANCE**

### **G.1 A framework for recommendations**

The Review faces a very difficult task in that the options, on the surface, appear to be the status quo (ie the systematic erosion of the VCA's identity, philosophy and value); some new independent arrangement; or, some new funding arrangement which governments have been reluctant to embrace, perhaps because of a perceived fear of creating precedents even though the VCA is unique in Australia and new arrangements for it cannot be a precedent for any institution other than the VCA.

In colloquial terms the Review appears to be forced to choose between trying to unscramble the egg or making incremental recommendations which may slightly improve the situation.

However, we believe the Review Chair's experience with his nuclear enquiry provides an important precedent. Despite community opposition and constraints imposed by Government policies, that review made recommendations across a wide range of areas based on what it saw as being in the long-term national interest.

We do not wish to comment on that inquiry's findings, or any policy questions relating to it. Nevertheless, the philosophical approach adopted is an appropriate one for this Review.

Rather than being constrained by what seems immediately possible, convenient or consistent with existing government policies, this VCA Review has the opportunity to set the benchmark for future discussion of VCA arts training and education policy in the decade ahead.

**We submit that the Review should endeavour to achieve this by producing an independent, authoritative, evidence-based report on the ideal future funding and governance for the VCA irrespective of the Discussion Paper or existing arrangements and government policies.**

### **G.2 Relationship with the University**

There are many factors to be considered in any future relationship between the VCA, the Faculty and the UoM.

Issues such as research, overheads, development, knowledge transfer and so on are important.

What would happen to the new Music School in any de-merger is problematic. Continuation of the current Faculty structure where student numbers are dominated by music is also problematic. Are there that many outstanding music students in Victoria as are currently enrolled, should the number be reduced and more places made available in other schools? Should there be a cap on music enrolments?

This submission cannot address these issues in any detail although when the data requested in Section C (Data Needs) of this submission is made public we would be happy to make a more substantive submission specifically directed towards these questions. Rather we have preferred to suggest a model which would provide the VCA with independence while retaining links with a university if this were found to be of value.

The model is, of course, dependent on funding but we have already submitted that the Review should be prepared to recommend an appropriate level of funding irrespective of current government policies.

### **G.3 VCA model for the future**

We submit that the following model should be adopted:

1. Create from the existing Faculty an independent entity which would be called either the Australian University of the Arts or Australian College of the Arts, independent but affiliated with either the University of Melbourne or another university. This would become Australia's world class, major national centre for multi-disciplinary, multi-intelligence arts training and education. A governance model for this structure would be the Emily Carr University of Art and Design (with 1800 students) in the Canadian British Columbia Province. This was achieved by the relaxation of BC rules relating to universities. While in Australia the trend, supported by governments since Dawkins, has been to generate economies of scale by creating larger institutions the time has come to consider whether the large, high overhead bureaucratic institutions created are the best means of delivering educational programs such as arts training and education.
2. Provide sustainable funding through increased Commonwealth Government per student funding, infrastructure investment and site re-development to underpin this world-class national institution. The appropriate level of this funding should be derived from the proposed best practice benchmarking we submit the Review should undertake. Another funding option would be a system of performance-based premium funding for visual and performing arts training and education organisations. This funding model proposal is contained in the VCA National Innovation System submission cited earlier. The system in the United Kingdom is an example of this and recognises the high cost involved in specialist, intensive training and education of professional artists. The Higher Education Funding Council for England (HEFCE) has as part of its funding mechanisms provision for a premium above the standard rate that is payable to specialist arts colleges that meet certain criteria:

- all students must be auditioned as part of their applications,
- at least 10m<sup>2</sup> per FTE student comprises dedicated specialist facilities,
- an average of at least 30 hours per year are in specialist 1:1 performance-based tuition,
- at least 40 percent of an institution's salaries and fees budget is spent on specialist performers for teaching purposes,
- more than 75 percent of graduates are working primarily in professional arts activity within five years of graduating.

HEFCE's stated aims (HEFCE, *Funding of Specialist Higher Education Institutions*, unpublished internal advice to Heads of HEFCE-funded higher education institutions, November 2000) of this premium are:

- To "encourage and sustain a diversity of institutions and provision."
- To "sustain high quality and standards in higher education"
- To provide additional funding where there is "evidence that our mainstream funding approach would endanger the viability of an institution which holds a position of recognised international or national excellence, or which makes distinctive or unique provision available".

3. Organise the Australian University of the Arts/College of the Arts around a multi-disciplinary multi-intelligence structure of schools covering:

- Visual arts
- Screen (we recognise that there is a debate about whether screen ought to be incorporated in the visual arts but believe there are economic benefits in maintaining a separate school)
- Theatre and Production (incorporating theatre, drama and production and sub-sets such as music theatre and puppetry)
- Dance
- Music (co-located with ANAM and Youth Orchestra while maintaining individual branding in a new Music School building).
- The Wilin Centre
- Centre for Cultural Partnerships

4. Maintain subjects similar to those provided by the Centre for Ideas or Melbourne Model breadth subjects for all students which could be taken at the Australian University of the Arts/College of the Arts and another university; and, further develop existing VCA cultural development and partnership courses and activities

5. Appoint an independent Council and new institutional leadership with emphasis on visionary academic leadership, best practice arts training and education, fund-raising capacity, commitment to open and transparent stakeholder relations and consultation, and a capacity to play a central role in fostering Victoria's cultural life consistent with the new agreed College vision.

6. Establish a tri-partite working group of government, university and other potential university partners and stakeholders to work through funding requirements and the required legislative provision for governance framework.

## **H. CONCLUSION**

The University of Melbourne is a world-class university which plays a central role in the social, educational, cultural and economic development of Victoria and Australia.

The previous Commonwealth Government forced the University into a situation regarding the VCA's funding which was wrong and unfair to the University and the VCA.

The VCA Council was convinced of the need for a merger by a combination of financial imperatives and assurances provided which persuaded the VCA that it could have new and exciting opportunities within a great University.

Unfortunately in resolving the situation imposed on it, the decision-making practices by some University managers have been less than world-class. Institutional reputations have suffered; decisions have been made with inadequate consultation; VCA personnel were brow-beaten into accepting changes to the Heads of Agreement developed for the merger; appointment procedures caused controversy and engendered a sour taste; some senior University managers were unsupportive of the VCA culture and seemed committed to eradicating it; the systematic elimination of the VCA identity and brand without creating a positive and inspiring alternative caused unnecessary concern and anger; and inept handling of controversy and community outrage compounded the problems.

Major patrons and sponsors have been angered and disenfranchised. Patrons/sponsors supporting Music Theatre and Puppetry, for instance, were not even consulted or advised in advance of the decision to close the courses. This sort of behaviour can only have long-term impact on patronage and sponsorship at the VCA.

It may be difficult to unscramble the eggs but the reality is that key stakeholders – staff, donors, the arts industry, supporters – have lost trust and confidence in the current arrangements and the plans for the future.

Incremental changes under the existing leadership will be insufficient to reverse this loss of trust and confidence.

Governments have sat on the sidelines and avoided making commitments on long-term solutions around a visionary role and place for the VCA – despite the immense significance of a world-class multi-disciplinary arts training and education institution to Victoria and Australia's social, economic and cultural development.

We believe, after long associations with the VCA and deep involvement in the merger and the developments subsequent to it, that there is an urgent need to develop a new approach and a new model based on:

- sustainable funding capable of realising the benefits possible from an Australian University of the Arts/College of the Arts;
- a new governance model which provide the proposed College with independence while maintaining an affiliation with the University of Melbourne or another university if that is found to be of value;
- a clear vision of what the proposed Australian University of the Arts/ College of the Arts can be and should achieve.

Victoria has had a world-class gem in the VCA. That jewel has been tarnished and is being progressively eroded in value. The Review has the opportunity to restore it to its full lustre before its value is lost forever.

The proposals within this submission, which we urge the Review to adopt, are designed to help restore the value, make the new approach and model possible and ensure that future generations reap the benefits the VCA has been providing since 1974.

**For further information :**

If the Review would like further information about this submission please contact Noel Turnbull on (03) 9646 4102 email [nturnbul@bigpond.net.au](mailto:nturnbul@bigpond.net.au)

The signatories to the submission would also appreciate the opportunity to make oral submissions, and to discuss this submission, with the Review.