

FACULTY OF THE VCA AND MUSIC

FACT SHEET

The Faculty of the VCA and Music was established on 6 April 2009 from the former Faculty of the Victorian College of the Arts and former Faculty of Music.

This *Fact Sheet* has been developed to help our Faculty community and stakeholders to better understand some of the background and history, and the very real challenges that we are facing and working through at this time.

Background

- In 2003 the Commonwealth Government introduced a consistent funding model for academic discipline clusters under the *Higher Education Support Act 2003*. The then VCA had been receiving special funding support from the Commonwealth Government. The impact of the academic discipline cluster model resulted in a 35% reduction in VCA revenue from 2005.
- The VCA became a faculty of the University of Melbourne in 2007.
- Since 2007 the University has been supplementing the former VCA's operating budget and has picked up the shortfall that resulted from the introduction of the academic discipline cluster model of some \$5 - \$6 million a year – by levying other Faculties and using earnings from University investments to subsidise the VCA.
- At that time the VCA was not part of the University, it was an affiliate, as the VCA did not have independent degree granting powers, so its degrees were quality assessed by the University's Academic Board.
- When the VCA's special funding was cut in 2005, the University and the VCA both argued strongly to the Government for better Commonwealth funding, and even for the funding to come from the arts portfolio rather than education, as is the case with some of the national arts colleges – NIDA, Australian Ballet School, ANAM and the Australian Film & TV and Radio School (AFTRS). In WA, WAAPA receives funding through both the Commonwealth Government under the academic discipline cluster funding model, as well as additional funding from the State Government for its non-university programs.
- The approaches to the Commonwealth Government to have the special funding support restored were unsuccessful.
- The VCA's future was under serious threat until the University stepped in to cover the funding shortfall.

The Heads of Agreement between the University and the former VCA

- Due to the loss of Commonwealth funding in 2005, the University and the VCA commenced discussions in early 2005 about the possibility of full integration.
- In November 2005 a Heads of Agreement (HoA) was signed which resulted in the VCA becoming a Faculty of the University from 1 January 2007.
- The University agreed to pay the funding gap for five years from 2007 and has committed to providing supplementary funding to the former VCA through the new Faculty of the VCA and Music to the end of 2011.
- The HoA did not state that nothing will change. In fact the HoA specifically enabled the VCA and University to determine the functions and processes which could improve productivity and effectiveness.
- The HoA covers a wide range of areas which continue to be honoured:
 - The Faculty continues to take a leading role within the University on the strategic direction for the development and provision of performing and visual arts training and education.
 - Talent-based entry will continue for all courses.
 - The Faculty will continue to exercise authority over the conduct and development of educational programs.
 - The staff who were previously with the VCA became staff of the University with all the conditions and entitlements of the University provided as required by the HoA
 - The VCA students were students of the University prior to the HoA and this continues.
 - the University has strengthened and supplemented the annual operating funding as required under the HoA.

1 June 2009

The 2008 Integration Process

- In May 2008, on the unanimous recommendation of the VCA Integration Committee, The University Council approved the integration of the Faculty of the VCA and Music with the Faculty of Music to form a single Faculty encompassing programs in music, visual and performing arts. The merger also resulted in the formation of a single School of Music within the new Faculty.
- The University Council also approved the following recommendations of the VCA Integration Committee:
 - that the new Faculty be called the Faculty of the VCA and Music and
 - that the new Faculty include the following three schools: School of Art, School of Music and School of Performing Arts, as well as programs in Film and TV (standing outside the School structure).
- The former Faculty of the VCA comprised six schools. However the new School of Performing Arts now encompasses the disciplines of theatre, production and dance, which were previously separate schools. The School of Performing Arts was established to facilitate the obvious synergies of these disciplines.

Scholarship and Trust money of the Faculty of the VCA and Music

- Both the former VCA and the former Faculty of Music had substantial Trust funds awarded to students across a broad range of disciplines and expertise.
- With the establishment of the Faculty of the VCA and Music, the Trust Regulations are in the process of being updated to ensure that the history of the bequest of a scholarship or trust is captured and the intentions of the donors upheld.
- VCAM students are now eligible for hundreds of University scholarships for both excellence and equity.
- The University takes the management of Trust funds very seriously and has strict legal requirements governing them.

The Melbourne Model and VCAM

- The University is fully committed to offering educational programs in the Visual & Performing Arts delivered by the Faculty of the VCA and Music.
- The School of Music (Parkville campus) currently offers a Bachelor of Music under the Melbourne Model. A combined New Generation Bachelor of Music incorporating the Southbank and Parkville specialisations will be offered from 2011.
- The specialist skills of students will not be reduced with the introduction of the Melbourne Model across the other VCAM Schools.
- The key planks of the curriculum at the former VCA have not been reviewed for over 30 years. The move to the Melbourne Model provides a unique opportunity to address contemporary education imperatives and initiate curriculum innovation.
- The fundamental skills associated with each discipline across the visual and performing arts will continue to be taught in accordance with international best practice standards.
- VCAM staff will be involved in developing the curriculum for the New Generation degrees which are planned to be introduced in 2011.
- All New Generation undergraduate programs at the University are stand-alone courses from which graduates can go out directly into the workforce after three years of their undergraduate degree or further enhance their skills with a graduate program.
- VCAM students will also have the bonus of choosing from a huge suite of other subjects offered through the breadth subjects under the Melbourne Model. These breadth subjects might align closely to the students' chosen career destination (eg languages for singing students) or take them into new areas of discovery.

University's responsibility as a public entity

- The University as a public entity must take a responsible approach to public expenditure. Spending that outstrips the total income, as is the current VCAM situation, is not sustainable. This is taxpayers' money for which the Faculty must be fully responsible and accountable.
- For instance, the Faculty of the VCA and Music's total operating expenditure is on target to exceed \$51.5 million this year but, even with University subsidies and allocations of \$18 million, its total operating income is \$50.3 million (which includes the subsidies and allocations of \$18m). So, despite receiving substantial annual subsidies, the Faculty is facing an operating deficit in 2009 of over \$1 million.
- There are academic staff in the Faculty with no students to teach.
- At least 10 programs have less than 4 full-time equivalent students, many with one or two students.
- Even taking into account the need for lower student-to-staff ratios for teaching in VCAM, the former Faculty of the VCA had a student-to-staff ratio of 7.5 students to 1 academic which vastly exceeds the University average of 17 students to 1 academic.
- The Faculty will not be sustainable under the current Commonwealth Government funding model without additional University subsidy, unless it takes a significantly different approach to curriculum and program delivery.
- If its future is to be assured, it is vital that VCAM can operate as a financially sustainable Faculty.

The University's financial contribution to the former VCA and to VCAM

- The University of Melbourne has invested substantially in the former Faculty of the Victoria College of the Arts (VCA) and will continue to invest in the Faculty of the VCA and Music (VCAM).
- Between 2007 and 2009, the University provided \$41 million over and above the former VCA's earned income from student fees and research income and donations, to support the Faculty's operations.
- In addition, since 2007 a further \$8 million has been spent on ongoing maintenance including an annual commitment of \$2.3 million plus an additional \$3 million planned for capital improvements in 2009.
- The University has also provided \$5 million to Film and TV to upgrade its equipment and infrastructure to make it internationally competitive.
- The University has also committed a further \$33.4 million to supplement the operational budget of the Faculty of the VCA and Music (VCAM) over 2010 and 2011.

Contribution to services provided by the University

- Every Faculty of the University contributes to overheads which include a broad range of services including the provision of financial support for Faculty support, Academic support, University programs, Management services and the University's Budget reserve.
- The following outlines the areas supported by the funding and the financial drivers used to calculate each Faculty's contribution to overheads:
 - (i) Faculty support is funding to support other Faculties who are experiencing financial difficulties and are undertaking major strategic changes. The previous Faculty of Music contributed to this financial support and the former VCA and new Faculty of the VCA and Music receives \$11.4m Faculty support funding from other Faculties across the University in addition to the \$6m Integration Grant funding.

The Faculty's contribution to *Faculty Support* funding is based on the Faculty's operating income.

1 June 2009

- (ii) Academic support is for student services which fund a broad range of student support programs including health and counselling services, employment and careers advice, learning support, libraries, student union, financial aid, housing assistance program, scholarships and various programs to assist disadvantage groups and for graduation ceremonies.

The Faculty's contribution to *Academic Support* funding is based on the Faculty's student load and number of staff.

- (iii) University programs include funding to support strategic University-wide initiatives and research programs.

The Faculty's contribution to *University Programs* funding is based on the Faculty's operating expenditure and research projects expenditure.

- (iv) Management services include Faculties providing funding to support a large number of compliance requirements such as running compliance programs, environment health and safety compliance and reporting, the annual report and legal compliance. In addition there is funding for HR support to Faculties, accounts receivable and payable, bank accounts and other central services and related depreciation, maintenance, utilities and security costs.

The Faculty's contribution to the *Management services* is based on the Faculty's operating expenditure and number of staff.

- (v) Budget reserve: As the University is a public entity, the University's Finance Committee requires all Faculties to contribute to a reserve to ensure the University meets its financial obligations to students and staff. This is part of the University's financial due diligence to responsibly manage public money and operate as a financially viable entity.

The Faculty's contribution to the *Budget reserve* is based on the Faculty's income.