

INSPIRING ART
ACROSS THE STATE

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Committee Secretary
Senate Legal and Constitutional Affairs Committee
via online submissions process

Thursday 16 July 2015

Re: Impact of the 2014 and 2015 Commonwealth Budget decisions on the Arts

Regional Arts Victoria welcomes the Senate Inquiry into arts funding – as well as the national interest in the arts at the highest levels that this inquiry reflects.

Regional Arts Victoria inspires art across the state. Through creative facilitation, touring, education, specialised resources, artistic projects and advocacy, we develop and sustain creative communities and artistic practice all over Victoria. Regional Arts Victoria is an independent, not-for-profit, membership-based organisation working in long-term partnerships with every level of government, fostering contemporary and innovative regional cultural practice across five decades. For more about how our artistic program inspires Creative Communities, Creative Places and Creative Catalysts, visit www.rav.net.au.

For decades Regional Arts Victoria has enjoyed constructive relationships with both the Australia Council and the Ministry for the Arts, as well as state and dozens of local government bodies

This submission follows the question structure set out at

http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Legal_and_Constitutional_Affairs/Arts_Funding and responds to:

a. The impact of the 2014 and 2015 Commonwealth Budget decisions on the Arts;

The Australian Government's focus on arts funding is welcome. The development of new initiatives in the areas of endowments, cultural diplomacy and strategic initiatives outline some worthy initiatives that could benefit the sector.

However, we are concerned that these initiatives are to be made at the expense of Australia Council programs. This will diminish the effectiveness of both the National Programme for Excellence in the Arts (NPEA) and the Australia Council.

The loss of funding for the Australia Council multi-year organisations program is the single biggest impact of the changes to the arts budget in 2015-16. This program is the primary vehicle for investing in the arts in Australia by supporting the sustainability of its key organisations. This is most particularly the case in regional and remote areas, where robust independent arts organisations are vital to cultural life, community health and education, as well as to local economies. The draft NPEA guidelines, by excluding operational costs, do not currently offer a suitable replacement for the loss of this key investment in small-to-medium arts organisations in Australia.

A healthy national arts funding ecology can accommodate contributions from both the Ministry for the Arts and the Australia Council. Both, however, must be supported adequately to achieve the outcomes that Australian artists and audiences demand, ensuring that the support of one is not at the expense of the other.

b. The suitability and appropriateness of the establishment of a National Programme for Excellence in the Arts (NPEA), to be administered by the Ministry for the Arts, with particular reference to:

i. The effect on funding arrangements for:

A. Small-to-medium arts organisations

The arts in Australia is composed predominantly of thousands of small-to-medium organisations and individual artists. Government funding for operations supports arts organisations to develop, present and promote work, while leveraging those funds to attract program-specific sponsorship and philanthropy.

The NPEA does not provide multi-year operational funding for organisations. This, coupled with the end of the multi-year operational program due to be delivered by the Australia Council, means that small-to-medium organisations will have no access to the operational certainty provided by this kind of funding. This will impact on their ability to program high-quality and diverse cultural experiences.

The impact on Australia's arts will be devastating. This will be felt most acutely in regional and remote areas, where small-to-medium organisations are a key focus of cultural and economic activity. Hundreds of organisations across the country now risk permanent closure – organisations at the forefront of artistic excellence and innovation, with significant national and international outputs. Importantly, the work of these organisations generates the people, the ideas and the resources that build and sustain the arts industry at every level. Jeopardising their work jeopardises the entire ecology.

B. Individual artists

Individual artists are ineligible for NPEA funds. The funds diverted from the Australia Council to the NPEA leave a significantly smaller funding pool to which individual artists can apply. Australia's capacity to support individual artists will diminish significantly.

C. Young and emerging artists

Because individual artists are ineligible for NPEA funds, and because the NPEA criteria do not include a consideration of young and emerging artists as a consideration for assessors under the "Access" criteria, young and emerging artists are therefore unable to benefit from NPEA funds. Australia's capacity to support young and emerging artists – artists at the most precarious, the most crucial and often the most creative stage of development – will diminish significantly.

D. The Australia Council

The Australia Council has served our nation as the Government's arts funding and advisory body for over forty years. Across these decades, the Australia Council has evolved to meet the changing needs of the arts with its specialised artform boards, targeted funding programs and expert arm's-length assessment. In recent years, strong criticism had been directed towards the Australia Council's structure and programs – and in response, the Australia Council has devoted considerable focus to a strategic plan that has benefited from extensive public consultation. This work has given the arts sector a great deal of confidence in the Australia Council.

2015 marks the first year of implementation of the new strategic plan. The proposed changes disrupt this work considerably: the implementation of the Australia Council strategic plan has already been compromised significantly, with major initiatives halted. It is vital that the Australia Council be empowered to implement its current strategic plan.

E. Private sector funding of the arts

An endowment is a fund of significant size whose interest or other investment income is made available for use by the organisation who manages it or to whom it is gifted. The NPEA program stream called “Endowment incentives” is a matched funding program for specific initiatives. A set of incentives to encourage the formation of endowments would be very welcome. These could be endowments specific to individual organisations, to artforms or industry sectors, or to regions. Incentives might include mentorship or professional development programs to guide the creation of an endowment fund; matched funding to establish an initial fund; tax concessions to donors.

Such an endowment program, if developed, should be resourced from funds additional to and not taken from the Australia Council’s appropriation. There is otherwise no specific initiative in the NPEA that would promote or support private sector funding of the arts.

and

F. State and territory programs of support to the arts

The Australia Council has in the past funded organisations of national scope and impact, according to rigorously applied criteria. In the absence of funding targeted towards their operations, these organisations will turn to state and territory programs. State and territory programs will face overwhelming demand that they will be unable to meet without making significant changes to their own policy and program.

ii. Protection of freedom of artistic expression and prevention of political influence

The Australia Council’s funding assessment model is expert, rigorous and transparent. The NPEA proposes that:

- assessments will be carried out as applications are made rather than through a formal grant round process. This risks the entire available pool being exhausted early in the year, disadvantaging organisations whose artistic program has a focus later in the year;
- the Ministry may moderate assessments against the guidelines and for balance, but also against Government policy objectives. In the absence of an arts or cultural policy, this moderation may reflect Government policy and priorities beyond the arts which may not be known to applicants;
- a Register of Independent Assessors will be determined by the Ministry and not by arts peers, and will include people directly appointed. The Australia Council already has a peer register whose independence and expertise is rigorously determined;
- not all funding outcomes will be made public, subject to the Minister’s discretion in obtaining an exemption. The Australia Council adheres to the highest standards of transparency and accountability for all decision-making.

iii. Access to a diversity of quality arts and cultural experiences

The prominence of “access” as one of the four selection criteria in the draft NPEA Guidelines, puts diversity and accessibility at the forefront of assessors’ decision-making. This is a welcome development – these are considerations that should be at the forefront of any arts funding program.

However, this criterion packages audience appeal and demand in with regional, remote, Aboriginal and Torres Strait Islander, culturally and linguistically diverse and disability arts. It will prove most difficult for assessors to weigh such divergent criteria.

iv. **The funding criteria and implementation processes to be applied to the program**

Quality, access, support and partnerships, and value for money as the four National Program for Excellence in the Arts criteria mean that there is only one artistic criterion, and it is not excellence. The NPEA might take the opportunity to draw upon the Australia Council's expertise in this area, having developed a rigorous approach to artistic excellence from a uniquely Australian perspective.

v. **Implications of any duplication of administration and resourcing**

From the draft guidelines, it is not clear how the NPEA will support artistic endeavours that are already provided for through Australia Council programs. The risk is that the same outcomes will be delivered through two separate sources with resulting duplication in administrative and resourcing functions. There will also be significant costs in establishing systems in which the Australia Council is already expert and in which it ably serves the nation. This will then detract from Australia's overall capacities to foster excellent art.

and

vi. **Any related matter.**

Clarifying the eligibility of **artform practitioners** to the NPEA will be important, with an emphasis on writers, literary artists, game designers and other artists working at the forefront of new technologies.

It's important to recognise the vital role that arts and culture play in **international and cultural diplomacy**. Any proposed new program should be funded through additional funds and not the removal of other successful and effective programs.

Major change to Australia's arts and cultural policy must be driven by clearly identified need and rigorously assessed impacts. On the basis of extensive consultation and following significant criticism, the Australia Council has undergone significant change to be best placed to serve as the nation's arts funding and advisory body. Further investment in the Australia Council is the best way to foster Australia's arts – as an ecology, as an industry, and as a culture.

As a result of this welcome national focus on the arts, Regional Arts Victoria looks forward to an enriched funding environment that builds the confidence of the arts industry across the nation. Please do not hesitate to contact me for any further information I can provide.

Sincerely,

ESTHER ANATOLITIS
Director