

Chapter 1

Introduction and background

Referral and conduct of the inquiry

1.1 On 16 June 2015 the Senate referred the following matter to the Senate Legal and Constitutional Affairs References Committee (the committee) for inquiry and report by 15 September 2015:

- (a) the impact of the 2014 and 2015 Commonwealth Budget decisions on the Arts; and
- (b) the suitability and appropriateness of the establishment of a National Programme for Excellence in the Arts, 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,
 - (B) individual artists,
 - (C) young and emerging artists,
 - (D) the Australia Council,
 - (E) private sector funding of the arts, and
 - (F) state and territory programs of support to the arts,
 - (ii) protection of freedom of artistic expression and prevention of political influence,
 - (iii) access to a diversity of quality arts and cultural experiences,
 - (iv) the funding criteria and implementation processes to be applied to the program,
 - (v) implications of any duplication of administration and resourcing, and
 - (vi) any related matter.¹

1.2 In August 2015 the Senate twice agreed to extend the reporting date for the inquiry, initially to 14 October 2015,² and then to 26 November 2015.³ On 10 November 2015 the Senate agreed to further extend the reporting date to 2 December 2015.⁴

1.3 In accordance with usual practice the committee advertised the inquiry in *The Australian* newspaper on 8 July 2015, and on the committee's website. The committee also wrote to various organisations and individuals inviting written submissions by

1 *Journals of the Senate* No. 96, 16 June 2015, pp 2664-2665.

2 *Journals of the Senate*, No. 103, 10 August 2015, p. 2880.

3 *Journals of the Senate* No. 108, 18 August 2015, p. 2972.

4 *Journals of the Senate* No. 124, 10 November 2015, p. 3334.

17 July 2015. The committee received 2719 submissions. A list of submissions received is at Appendix 1.

1.4 The committee held ten public hearings between August and November 2015, in Melbourne, Perth, Hobart, Brisbane, Adelaide, Cairns, Darwin, Sydney and Canberra. A list of the witnesses who appeared at the public hearings is at Appendix 2. A list of additional information and responses to questions on notice received by the committee during and after the public hearings is at Appendix 3.

1.5 The committee thanks all those who contributed to the inquiry by making submissions, appearing as witnesses at the public hearings, and providing additional information and answers to questions taken on notice.

Structure of the report

1.6 The committee's report is in five chapters. Following this introductory chapter:

- chapter 2 examines the response of submitters and witnesses to the key changes to arts funding arrangements made in the 2014 and 2015 Budgets, principally the cuts to the Australia Council and Screen Australia, and the creation of the National Program for Excellence in the Arts (NPEA) and the Book Council of Australia;
- chapter 3 discusses evidence received by the committee about the impact of the arts funding changes on the arts sector itself and on the broader community, including the concept of the arts 'ecosystem' as well as the particular impact on regional and remote communities, indigenous and multicultural Australians, and people with disability;
- chapter 4 contains a brief discussion of the revision of arts funding arrangements which was announced by the government on 20 November 2015, shortly before the conclusion of the inquiry; and
- chapter 5 sets out the committee's conclusions and recommendations.

A note on references

1.7 References to the committee Hansard in this report may be to the proof Hansard. Page numbers may vary between the proof and the official Hansard transcripts.

Background

Arts governance and the Australia Council

1.8 At the commencement of this inquiry, responsibility for arts and culture in the Commonwealth government fell within the portfolio of the Attorney-General and Minister for the Arts, Senator the Hon George Brandis QC. The Ministry for the Arts (the ministry) sat within the Attorney-General's Department.

1.9 As part of changes to cabinet and administrative arrangements in September 2015, responsibility for the arts portfolio was moved to the new

Minister for Communications and the Arts, Senator the Hon Mitch Fifield. The ministry now falls under the Department of Communications and the Arts.

1.10 The Australian government has provided financial support to the development of the arts since 1908. Throughout the 20th century, a number of organisations played a role in distributing federal funding, including the Australia Elizabethan Theatre Trust and the Arts Council of Australia.⁵ In 1973, the Australia Council for the Arts was established on an interim basis, then replaced in 1975 with an independent statutory authority, generally known as the Australia Council.⁶

1.11 The Australia Council describes itself as 'the Australian Government's arts funding and advisory body', whose purpose is to 'champion and invest in Australian arts...by supporting excellence across all art forms and leveraging our investment in the arts to support and build a vibrant arts ecology'.⁷

1.12 The Australia Council is overseen by its Board, with a Chief Executive Officer (CEO) responsible to the Board for the day-to day administration of the Council.⁸ The Council is accountable to the Australian Parliament and to the government through the Minister for the Arts.⁹ The CEO liaises with the minister and the ministry, in conjunction with the Chair of the Board, in relation to the government's arts policies and the Council's statutory functions and operations.¹⁰

1.13 Some Commonwealth arts programs are managed directly by the ministry, while funding for others is determined and distributed by the Australia Council. The Australia Council also administers certain arts programs on behalf of the ministry.

The 2012 review of the Australia Council

1.14 In 2011-2012, the Australia Council was subjected to an independent review, commissioned by the then government as part of its development of a National Cultural Policy. The report of the review was released in May 2012.¹¹

1.15 The report made 18 recommendations across six key areas for major reform of the Australia Council, including a recalibration of its purpose, and significant revision of its governance structure and peer review process, as well as identifying a number of issues for future action. The review recommended an increase in funding to the

5 Professor M Seares AO and Dr Gardiner-Garden, *Cultural Policies in Australia*, Australia Council, June 2011, pp 7-10, http://www.cdc-ccd.org/IMG/pdf/Australian_policies_on_culture.pdf (accessed 29 July 2015).

6 The Australia Council was established under the *Australia Council Act 1975*.

7 Australia Council for the Arts, *Annual Report 2014-15*, 26 August 2015, p. 3.

8 Australia Council for the Arts, *Annual Report 2014-15*, 26 August 2015, p. 19.

9 Australia Council for the Arts, *Annual Report 2014-15*, 26 August 2015, p. 3.

10 Australia Council for the Arts, *Annual Report, 2014-15*, 26 August 2015, p. 19.

11 Gabrielle Trainor & Angus James, *Review of the Australia Council*, May 2012, at <http://creativeaustralia.arts.gov.au/assets/australia-council-review-report-survey-outcomes-20130419.pdf> (accessed 9 October 2015).

Australia Council of \$21.25 million per annum, to enable the Council to fulfil its revised purpose and functions.

1.16 The then government accepted most of the recommendations of the review, and its response included the introduction of a bill for a new *Australia Council Act 2013*, which was passed by the parliament and commenced on 1 July 2013.¹² The government also committed to increase funding to the Australia Council by \$75.4 million over four years, commencing from 2013-14.¹³

The 2014 Budget

1.17 Following the election of the coalition government in September 2013, the 2014-15 Budget measure *Arts programmes – reduced funding* applied savings of \$87.1 million over four years by reducing funding to the ministry, Screen Australia and the Australia Council.

1.18 The Australia Council's funding was reduced by \$9.6 million in 2014-15, and approximately \$6 million per year for the three following years. The government stated that the savings achieved would be redirected 'to repair the Budget and fund policy priorities'.¹⁴

1.19 Funding to Screen Australia was reduced by \$38 million over four years. This included the termination of the Australian Interactive Games Fund, a \$20 million initiative which at that point had \$10 million and one year of operation remaining.¹⁵

2014 MYEFO: Book Council of Australia

1.20 In its December 2014 Mid-year Economic and Fiscal Outlook (MYEFO) the government announced a further \$6 million reduction in funds to the Australia Council over three years, to fund the establishment of a new Book Council of Australia.¹⁶

The 2015 Budget

1.21 The 2015 Budget contained significant further changes to arrangements for arts funding. These comprised additional efficiency measures imposed on each of the

12 M Coombs, *Australia Council Bill 2013*, Bills Digest, Parliamentary Library, 19 June 2013, <http://parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;query=Id%3A%22legislation%2Fbillsdgs%2F2531601%22> (accessed 29 July 2015).

13 *Review of the Australia Council: Australian Government response*, at <http://creativeaustralia.arts.gov.au/archived/module/appendix-b/> (accessed 11 October 2015).

14 Australian Government, *Budget Measures 2014-15—Part 2: Expense Measures*, at http://budget.gov.au/2014-15/content/bp2/html/bp2_expense-05.htm (accessed 9 October 2015).

15 Don Groves, '\$38 million funding hit for Screen Australia', 14 May 2014, at <http://if.com.au/2014/05/13/article/38-million-funding-hit-for-Screen-Australia/JKNEQQFVRR.html> (accessed 20 October 2015).

16 Australian Government, *Mid-Year Economic and Fiscal Outlook*, December 2014, Appendix A, at http://www.budget.gov.au/2014-15/content/myefo/html/11_appendix_a_expense.htm (accessed 20 November 2015).

ministry (then part of the Attorney-General's Department), the Australia Council, and Screen Australia, as well as the redirection of more funds from the Australia Council into the ministry and Creative Partnerships Australia, for new and re-housed initiatives.

Efficiencies

1.22 The efficiency measures imposed on arts agencies in the 2015 Budget are set out in Figure 1.

| <u>Arts and Cultural Programmes—efficiencies</u> | | | | |
|--|---------|---------|---------|---------|
| Expense (\$m) | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
| Attorney-General's Department | -0.7 | -0.5 | -0.5 | -0.5 |
| Screen Australia | -0.9 | -0.9 | -0.9 | -0.9 |
| Australia Council | -1.8 | -1.8 | -1.8 | -1.8 |
| Total Expense | -3.4 | -3.3 | -3.3 | -3.3 |

Figure 1: 2015-16 Budget efficiency measures, arts portfolio¹⁷

Further redirection of funds from the Australia Council

1.23 In addition to the efficiency measures described above, a further \$110 million over the four-year forward estimates was redirected from the Australia Council to provide for:

- the establishment of the National Programme for Excellence in the Arts (NPEA), to be managed by the Ministry for the Arts;
- the transfer to the ministry of three programs previously managed by the Australia Council (Visions Australia, Festivals Australia and the Major Festivals Initiative); and
- a \$5.3 million redirection of funds to Creative Partnerships Australia's (CPA) matched funding program.¹⁸

17 Australian Government, *Budget Measures 2015-16 — Part 2: Expense Measures*, http://www.budget.gov.au/2015-16/content/bp2/download/BP2_Expense.pdf, p. 59.

18 Australian Government, *Portfolio Budget Statements 2015-16, Budget Related Paper No.1.2: Attorney-General's Portfolio*, p. 78.

Resulting changes to the Australia Council's programs and activities

1.24 In its submission the Australia Council described the cumulative impact of the 2014 and 2015 decisions as representing a total reduction in its appropriation of approximately \$34.2 million including indexation, or \$41 million excluding indexation, for the 2015-16 financial year.¹⁹ The impact of the changes by 2015-16 was demonstrated in the diagram at Figure 2, submitted by the Council.

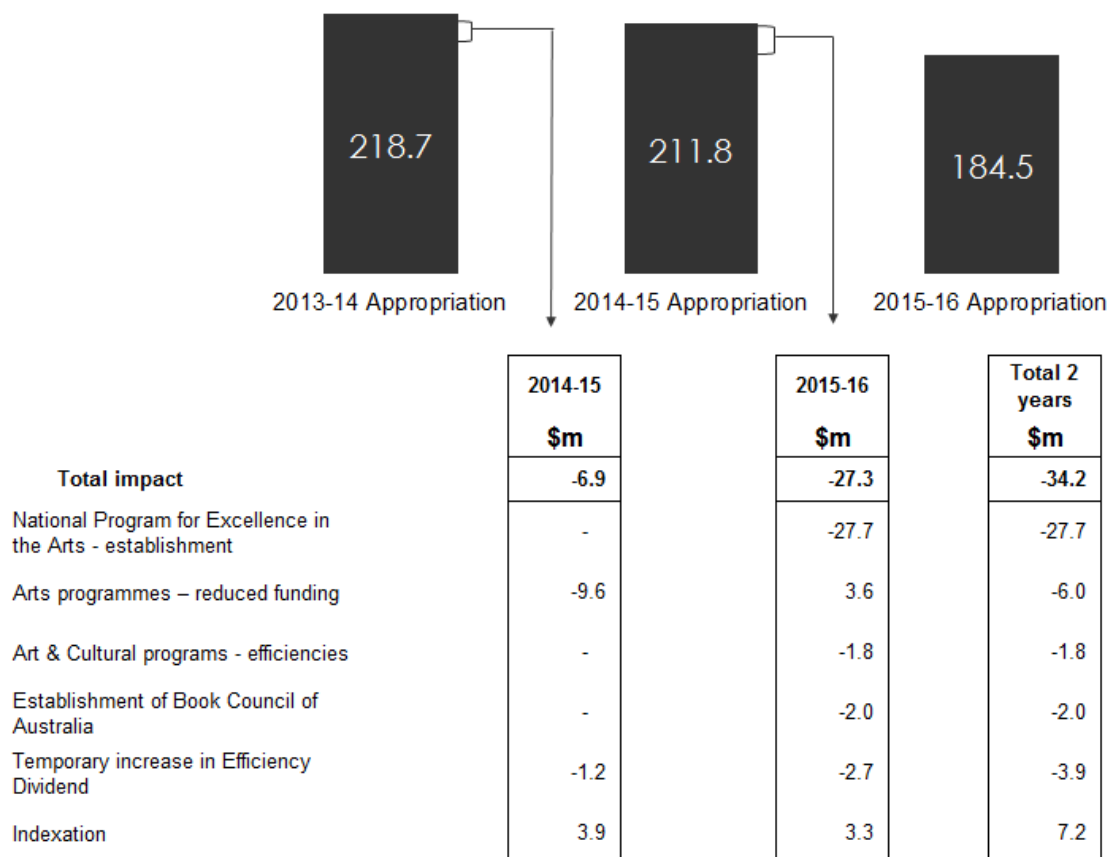


Figure 2: adjustments in Australia Council funding, 2013-14 to 2015-16²⁰

1.25 Over the period of 2012-13 to 2015-16 the Australia Council had four main categories of expenditure: 'Support for Major Performing Arts companies'; 'Government Initiatives'; 'Operating and Program Delivery Expenses'; and 'Remaining Funds'. In its submission the Council outlined the impact of the budget changes on each area of its work.

¹⁹ Australia Council for the Arts, *Submission 188*, p. 3.

²⁰ Australia Council for the Arts, *Submission 188*, p. 6.

Support for major performing arts companies

1.26 Since 2001, the Australia Council, in partnership with state governments, has supported major performing arts companies via the National Framework for Governments' Support of the Major Performing Arts Sector (the MPA Framework):

Under the [MPA Framework], the Australia Council administers annual core funding to 28 MPA companies on behalf of the Australian Government and state governments, at levels they set and agree to. The MPA companies receive funding to develop and present excellent artistic works and foster a vibrant and sustainable performing arts sector. Funding agreements with the MPA companies emphasise the importance of artistic vibrancy and engaging with diverse audiences. In addition to core grants, a small allocation of funding supports the sector through strategic initiatives, company reviews and artistic development.²¹

1.27 In a press release detailing the Attorney-General's portfolio budget measures 2015–16 the Attorney-General stated that 'there will be no reduction in the Australia Council's funding to the 28 major performing arts companies as a result of this initiative'.²² The forecast Australia Council expenditure on the Major Performing Arts program in 2015-16 was \$107.7 million.²³

Government initiatives

1.28 The Australia Council administers a number of 'government initiatives' on behalf of the ministry. The 2015-16 Budget measures anticipated that three government initiatives would continue to be administered by the Australia Council, and three programs would be transferred from the Council to the ministry.

1.29 The Australia Council would continue to administer the Visual Art and Craft Strategy and Sound Australia, and would retain control over some of the National Regional Programs, with other programs under this category moving back to the ministry. The Australia Council would continue to administer the Playing Australia-Regional Performing Arts Touring Fund, the Contemporary Music Touring Program, and the Contemporary Touring Initiative.²⁴

21 Cultural Ministers Council (CMC), A National Framework for Governments' Support of the Major Performing Arts Sector, 12 August 2011, http://www.australiacouncil.gov.au/symphony/extension/richtext_redactor/getfile/?name=c2da6fb09dc09b1bff708a93fa8e0a82.pdf (accessed 29 July 2015).

22 Senator the Hon George Brandis QC, Attorney General for Australia and Minister for the Arts, *Attorney-General's Portfolio Budget measures 2015–16*, 12 May 2015, <http://www.attorneygeneral.gov.au/Mediareleases/Pages/2015/SecondQuarter/12-May-2015-Attorney-General's-Portfolio-Budget-measures-2015-16.aspx> (accessed 29 July 2015).

23 Australia Council for the Arts, *Submission 188*, p. 3.

24 Australia Council for the Arts, *Submission 188*, p. 10.

1.30 Two programs under the National Regional Programs, Festivals Australia and Visions Australia, would now be administered by the ministry. The Major Festivals Initiative would also be transferred to the ministry.²⁵

1.31 The Australia Council advised that following the 2015-16 Budget measures, five other government initiatives had been discontinued or would cease:

- **ArtStart** which provided small start-up grants for services, resources, skills development and equipment to help graduates build an income-generated career in the art form they studied. The 2015-16 Budget applied a 50% reduction to *ArtStart* which, combined with a significant overall reduction in the Council's 2015-16 appropriation, impacted on the viability of *ArtStart*. The Australia Council announced that it would cease to offer the *ArtStart* program during 2015-16. Early career artists would remain eligible to apply for funding from the Council's general grants program.
- **Creative Community Partnerships Initiative (CCPI)** provided funding for innovative, large-scale, multi-year projects delivered through partnerships between arts and non-arts organisations (such as local councils, universities, not-for-profit organisations and corporations) to increase access to arts and cultural activities in Australian communities. Partners contributed at least 50% of the budget for projects. Following the 2015-16 Budget, the Australia Council announced that the CCPI would not be accepting applications in the 2015-16 financial year or beyond. Applicants would be eligible to apply for funding for this type of activity through the general grants program.
- The **Artists in Residence** program placed professional artists in residence in schools to enhance the education of students through arts engagement projects. The Australia Council's Memoranda of Understanding (MoUs) with state and territory arts agencies and education departments for the delivery of Artists in Residence will expire on 31 December 2015. The 2015-16 Budget applied a reduction to Artists in Residence, and the Australia Council announced that it would cease to deliver the program after 2015.
- The **Australian Fellowships, New Work and Presentation** program supported the creation and presentation of new Australian work across all art forms (previously referred to as 'Creative Australia Artist Grants'). This five year program was scheduled for completion during 2015-16. The limited remaining funds under this program would be repurposed for allocation through the Australia Council's core grants programs in 2015-16.
- **Get Reading!** involved a national marketing campaign that focused on raising public awareness about the value of reading in the community, and a national author touring program. The cessation of funding for *Get Reading!* was announced in the 2014-15 Federal Budget.²⁶

25 Australia Council for the Arts, *Submission 188*, p. 11.

26 Australia Council for the Arts, *Submission 188*, p. 12.

'Remaining funds', including the general grants program and core funding for organisations

1.32 The 'remaining funds' category includes the Australia Council's general grants program; multi-year core funding for organisations; national and international development; capacity building; and the 'Research, Data, and Analysis' program. The forecast expenditure on remaining funds for 2015-16 was \$40.8 million.²⁷

1.33 The Australia Council grants program 'supports individual artists, groups of artists and arts organisations through a peer-assessed, streamlined and accessible grants model'.²⁸ In January 2015, the Australia Council commenced a new grants model.²⁹ As a result of the 2015-16 Budget announcements, the Australia Council announced further changes to that grants model.³⁰ Figure 3 sets out how the changes would operate.

1.34 The Australia Council also changed the arrangements for multi-year core funding to organisations. Previously, in line with its 2014 Strategic Plan, the Council had announced a program of six-year operational funding for organisations. Applications for funding under the six-year program were due in June 2015, with funding for successful applicants to commence in 2016. Following the 2015 Budget, that program and the application process then underway were cancelled. The Australia Council advised that:

The Six-Year Funding for Organisations program will be replaced with a Four-Year funding model. Organisations will only need to submit one application by 1 December 2015 deadline. Decisions will be announced in April 2016, with funding to commence in January 2017.³¹

1.35 The Australia Council advised that as a result of a decrease in funds the national and international development; capacity building; and the research, data, and analysis programs were all under review.³²

1.36 Figure 4, provided by the Australia Council, set out the changes in annual expenditure in each of its areas of work, from the 2012-13 to 2015-16 financial years.

27 Australia Council for the Arts, *Submission 188*, p. 3.

28 Australia Council for the Arts, *Submission 188*, p. 13.

29 Australia Council for the Arts, *Submission 188*, p. 13.

30 Australia Council for the Arts, *Australia Council outlines revised grants program*, media release, 23 July 2015, <http://www.australiacouncil.gov.au/news/media-centre/media-releases/australia-council-outlines-revised-grants-program/> (accessed 29 July 2015).

31 Australia Council for the Arts, *Australia Council outlines revised grants program*, media release, 23 July 2015, <http://www.australiacouncil.gov.au/news/media-centre/media-releases/australia-council-outlines-revised-grants-program/> (accessed 29 July 2015).

32 Australia Council for the Arts, *Submission 188*, p. 14.

Figure 3: changes to the Australia Council's general grants scheme³³

| 2014-15 Actual activities | 2015-16 Planned activities | 2015-16 Revised activities – transition year |
|--|--|---|
| <p>Arts Projects for Individuals and Groups (grants for up to three years ranging from \$10,000 - \$50,000 each) March 2015 round completed and the June 2015 round cancelled following the 2015-16 Budget announcement</p> | <p>Arts Projects for Individuals and Groups (grants for up to three years ranging from \$10,000 - \$50,000 each) Four rounds per year</p> | <p>Arts Projects for Individuals and Groups (grants for up to three years ranging from \$10,000 - \$50,000 each) Two rounds in 2015-16</p> |
| <p>Arts Projects for Organisations (grants for up to three years ranging from \$10,000 - \$150,000 each) March 2015 round completed and the June 2015 round cancelled following the 2015-16 Budget announcement</p> | <p>Arts Projects for Organisations (grants for up to three years ranging from \$10,000 - \$150,000 each) Four rounds per year</p> | <p>Arts Projects for Organisations (grants for up to two years ranging from \$10,000 - \$100,000 each) Two rounds in 2015-16</p> |
| <p>Development Grants for Individuals and Groups (grants for up to two years ranging from \$5,000 - \$25,000 each) March 2015 round completed and the June 2015 round cancelled following the 2015-16 Budget announcement</p> | <p>Development Grants for Individuals and Groups (grants for up to two years ranging from \$5,000 - \$25,000 each) Four rounds per year</p> | <p>Development Grants for Individuals and Groups (grants for up to two years ranging from \$5,000 - \$25,000 each) Two rounds in 2015-16</p> |
| <p>Fellowships (a total of 14 Fellowships valued at \$100,000 each awarded across art forms) One round per year</p> | <p>Fellowships (a total of 12 Fellowships valued at \$100,000 each awarded across art forms) One round per year</p> | <p>Fellowships (a total of 8 Fellowships valued at \$80,000 each awarded across art forms) One round per year</p> |

Figure 4: Australia Council annual expenditure 2012-13 to 2015-16 (\$'000s)³⁴



34 Australia Council for the Arts, *Submission 188*, p. 8.

The National Program for Excellence in the Arts (NPEA)

1.37 In announcing the establishment of the NPEA in the 2015 Budget, the Attorney-General and Minister for the Arts stated that it would:

...support endowments, international touring and strategic projects, with an emphasis on attracting private sector support...allow for a truly national approach to arts funding and will deliver on a number of Government priorities including national access to high quality arts and cultural experiences...[and] make funding available to a wider range of arts companies and arts practitioners, while at the same time respecting the preferences and tastes of Australia's audiences.³⁵

1.38 On 1 July 2015 the government released draft guidelines for the NPEA, inviting public comment on the document by 31 July 2015.³⁶

1.39 The draft guidelines envisaged that the NPEA would offer funding for three streams of activity:

- ***endowment incentives:*** for medium- to long-term projects required to be co-supported in cash or kind by sources other than the government;
- ***international and cultural diplomacy:*** for arts and cultural organisations to conduct international tours, exhibitions, partnerships and exchanges; or to bring internationally significant art and artists to Australia; and
- ***strategic initiatives:*** to assist arts and cultural organisations to respond to new opportunities, challenges and issues; deliver outcomes against planned and developing priorities; and support projects for regional and remote audiences. This stream would also be the source from which the government would directly fund 'appropriate major initiatives'.³⁷

1.40 The draft guidelines stated that the NPEA would provide approximately \$20 million each financial year, with the level of funding provided in each stream to be 'demand driven'. There would be no limit on the amount of funding that may be sought for a project, nor on how many applications may be made by an organisation for different projects, but organisations may only receive one grant per year from each funding stream. Individuals were explicitly excluded from applying to the NPEA, and funding for certain types of projects was also excluded, including film and television and interactive games. The NPEA would not provide operational funding for organisations.

35 Senator the Hon George Brandis QC, Attorney General for Australia and Minister for the Arts, *Attorney-General's Portfolio Budget measures 2015–16*, 12 May 2015, <http://www.attorneygeneral.gov.au/MediaReleases/Pages/2015/SecondQuarter/12-May-2015-Attorney-General's-Portfolio-Budget-measures-2015-16.aspx> (accessed 29 July 2015).

36 See <http://arts.gov.au/nationalexcellenceprogram> (accessed 9 September 2015).

37 Australian Government, Ministry for the arts, *Draft Guidelines: The National Program for Excellence in the Arts*, pp 3-4.

1.41 The draft guidelines set out certain criteria for assessment of projects, under the headings 'quality', 'access', 'support and partnerships' and 'value for money'.³⁸ Applications would be considered by 'at least three assessors, including a combination of Ministry for the Arts and independent assessors'. Assessment of projects under the international stream may also include staff of the Department of Foreign Affairs and Trade.³⁹

1.42 The government received 330 submissions in response to its request for feedback on the draft guidelines.⁴⁰

1.43 In August 2015 the ministry called for expressions of interest for 'Independent Assessors' to assess grant applications to the NPEA. There was no deadline for application.⁴¹

The Book Council of Australia

1.44 On 11 September 2015, the (then) minister announced the appointment of Ms Louise Adler AM as the inaugural Chair of the Book Council of Australia, and released terms of reference for the Council.⁴²

1.45 The terms of reference provided that the Book Council of Australia 'will provide advice to the Minister of the Arts on matters relating to Australian literature and writing', focused on promoting Australian writing nationally and internationally, developing audiences and 'nurturing a vibrant reading and writing culture'. While it was envisaged that the Council's advice to the government would include 'priorities for funding through targeted initiatives', the terms of reference did not indicate that the Council itself would administer any funding or grants programs.⁴³

Changes announced 20 November 2015

1.46 On 20 November 2015 the new Minister for the Arts, Senator the Hon Mitch Fifield, announced that the NPEA would be replaced by a new program called *Catalyst—Australian Arts and Culture Fund* (Catalyst). Catalyst would 'complement existing mechanisms' by supporting 'innovative ideas from arts

38 Australian Government, Ministry for the arts, *Draft Guidelines: The National Program for Excellence in the Arts*, pp 6-7.

39 Australian Government, Ministry for the arts, *Draft Guidelines: The National Program for Excellence in the Arts*, p. 8.

40 Dr Stephen Arnott PSM, Assistant Secretary, Ministry for the Arts, *Committee Hansard*, 23 November 2015, p. 12.

41 <http://arts.gov.au/funding-support/national-program-excellence-arts/expression-interest> (accessed 9 September 2015).

42 Senator the Hon George Brandis QC, Attorney-General for Australia and Minister for the Arts, 'Book Council of Australia', media release, 11 September 2015, at <http://www.attorneygeneral.gov.au/MediaReleases/Pages/2015/ThirdQuarter/11-September-2015-Book-Council-of-Australia.aspx> (accessed 14 September 2015).

43 Australian Government, Ministry for the arts, *Terms of Reference—Book Council of Australia*, p. 1 at <http://arts.gov.au/news/2015/09/book-council-australia> (accessed 12 October 2015).

and cultural organisations that may find it difficult to access funding for such projects from other sources'.⁴⁴

1.47 The minister announced that \$12 million per year would be made available in grants through Catalyst; a reduction from the \$20 million per year proposed for the NPEA. The remaining \$8m per year (\$32 million over the forward estimates) would be 'repurposed' to the Australia Council, in order to provide it with 'greater capacity to meet the needs of small and medium organisations and...also in recognition of its role as the Commonwealth's vehicle for supporting individual artists'.⁴⁵

1.48 The guidelines for the Catalyst fund, issued the same day, showed that the program broadly reflected the funding streams, criteria and assessment arrangements of the former NPEA, but with a shift in focus to innovation rather than 'excellence'. Like the NPEA, Catalyst would operate three funding streams:

- **partnerships and collaboration:** replacing the NPEA's 'endowment incentives', this stream would remain conditional on applications being co-funded from other sources, but would now allow government funding in anticipation of such support, with successful applicants having six months after approval to leverage the other funds;
- **innovation and participation:** replacing the NPEA's 'strategic initiatives' stream, with an emphasis on innovation rather than excellence, inclusion of eligibility for arts training and education projects, and the removal of explicit reference to 'major initiatives'; and
- **international and cultural diplomacy:** similar to the NPEA, although now open to development activities, and also flagging the identification by the government from time to time of priority countries or regions, in respect of which applications would be 'particularly encouraged'.⁴⁶

1.49 Like the NPEA, Catalyst funding would operate on a rolling basis, with four nominal funding rounds per year but no fixed deadline for applications.⁴⁷ As with the NPEA, organisations may apply for funding of up to four years' duration. There was no longer a limit on how many projects could be supported per organisation, but Catalyst did introduce a \$500,000 limit on each application.⁴⁸

44 Senator the Hon Mitch Fifield, 'Guidelines released for new arts fund', Media Release, 20 November 2015, p. 1.

45 Senator the Hon Mitch Fifield, 'Guidelines released for new arts fund', Media Release, 20 November 2015, p. 2.

46 Department of Communications and the Arts, *Catalyst—Australian Arts and Culture Fund: Guidelines*, November 2015, pp 4-5.

47 Department of Communications and the Arts, *Catalyst—Australian Arts and Culture Fund: Guidelines*, November 2015, p. 9.

48 Department of Communications and the Arts, *Catalyst—Australian Arts and Culture Fund: Guidelines*, November 2015, p. 6.

1.50 The Catalyst guidelines specified that it would 'give priority to projects involving small to medium organisations', and also introduced provision for funding of 'unincorporated groups with primarily an arts or cultural heritage purpose', provided they were auspiced by an incorporated organisation. Local government arts or heritage entities were also eligible to apply.⁴⁹ The exclusion of individual applicants, and of applications in the fields of film, television and interactive games, remained, as did the exclusion from funding organisations' operational costs, beyond the administration costs of funded projects.⁵⁰

1.51 The criteria for assessment of applications were broadly similar to those set out for the NPEA, comprising 'quality and innovation', 'access', 'support and partnerships' and 'value for money'. The Catalyst guidelines indicated a shift in emphasis, however, making reference to the 'calibre' rather than the 'reputation' of applicant organisations, to public 'benefit' and participation rather than audience appeal, and requiring a level of innovation.⁵¹ The same assessment process would apply to Catalyst as that outlined for the NPEA.

1.52 The Catalyst program opened for applications on Friday, 27 November 2015.⁵²

49 Department of Communications and the Arts, *Catalyst—Australian Arts and Culture Fund: Guidelines*, November 2015, pp 4, 6.

50 Department of Communications and the Arts, *Catalyst—Australian Arts and Culture Fund: Guidelines*, November 2015, p. 7.

51 Department of Communications and the Arts, *Catalyst—Australian Arts and Culture Fund: Guidelines*, November 2015, pp 7-8.

52 Senator the Hon Mitch Fifield, Minister for the Arts, 'Applications open for Catalyst', Media Release, 27 November 2015.

