

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Budget Estimates May 2017**

**Communications Portfolio**

**Department of Communications and the Arts**

**Question No: 196**

**Program 2.1**

**Hansard Ref: Page 54, 25/05/2017**

**Topic: Australia Youth Orchestra**

**Senator Rice, Janet asked:**

**Senator RICE:** Since 2013 reductions in government funding, due to efficiency dividends, have totalled \$440,000. Is that what you would understand as well?

**Ms Bassar:** What are you allocating that to?

**Senator RICE:** Government funding to the Australian Youth Orchestra.

**Ms Bassar:** I would have to take that on notice and check.

**Senator RICE:** That is what I have been advised from the Australian Youth Orchestra, that there has been a reduction of \$440,000 in funding due to efficiency dividends. Were you aware that because of that the Australian Youth Orchestra is now in a position of needing to reduce 80 training places per year and postpone an international tour for 100 musicians?

**Ms Bassar:** I am not aware. Certainly I have not personally been advised of that fact, if that is the case. I do not know whether the team has. No, we have not been advised of that.

**Senator RICE:** As I said, that is what I have been advised. Given that we have 85 per cent of professional orchestral musicians being alumni of the Australian Youth Orchestra, would that be a concern to you that that is what they are having to do?

**Ms Bassar:** We will follow up with the Australian Youth Orchestra to discuss their concerns with them and to establish what those issues are. They have not yet raised those directly with us.

**Senator RICE:** What sorts of consequences would you expect if that is, indeed, the case?

**Ms Bassar:** We would work with them very closely to discuss how they are using their budget and in what areas. These organisations all have some discretion in terms of how they use their budget.

**Senator RICE:** They are probably pretty close to the bone. I am told that their revenue mix is only 45 per cent government funding, philanthropy 40 per cent and student fees 15 per cent.

**Ms Bassar:** We are more than happy and we will follow up with them very quickly and have a very comprehensive discussion with them about their budget situation.

**Senator RICE:** Do you have any thoughts as to what the government could do to ensure that high achieving young musicians still have opportunities so we are not facing a decline in the number of musicians being trained in Australia and feeding into our orchestras?

**Ms Bassar:** I would not like to comment at this point. I am keen to have the discussion with the Australian Youth Orchestra to accurately understand their situation.

**Senator RICE:** I am told that the Australian Youth Orchestra receives \$2.5 million annually from the department. Do you agree that that is relatively not a large amount with very significant benefits from doing that and the consequences of making those cuts, the efficiency dividends that they have had to put up with, are having very unfortunate consequences?

**Ms Bassar:** I am not able to comment, as I have said, until we have a comprehensive meeting with the Australian Youth Orchestra and go through their budget with them in some detail.

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**Answer:**

The Australian Government has provided a six year commitment to AYO to ensure funding continuity totalling \$15,612,000. This funding currently makes up 45% of the AYO's total revenue and in 2017-18 the AYO will receive \$2,536,000 (GST Excl).

Government funding allows the AYO to leverage other sources of income, including from sponsorship, philanthropic support, fund raising events and alumni programs, in addition to Australian Government funding. These income streams keep student fees low at an average cost of \$1,100 per annum. AYO total income for 2016 was \$5,490,086.

In addition to its annual funding, in May 2017 the Minister for the Arts allocated \$300,000 to support the preparation for the next international tour to ensure it can take place as planned in 2019.

Discussions between the department and the AYO are regular and ongoing and the AYO provides Progress Reports to the department three times a year, advising AYO's progress against the Activity's in the 2016-22 funding agreement. Those reports indicate that the AYO is forecasting a small surplus for 2017.