

Chapter 2

Key issues: evaluating the changes to arts funding

2.1 As noted in chapter 1, the committee received a large volume of submissions and held an extensive program of hearings across Australia for the inquiry. There was a remarkable level of consistency in the evidence provided.

2.2 Key broad issues of concern about the Budget measures centred on the loss of funding from valuable programs of the Australia Council at a time when the Council had just undertaken significant reform; and the proposed criteria and operation of the new National Program for Excellence in the Arts (NPEA). There was also specific discussion about the effect of the changes on certain sectors with particular funding arrangements, notably writers and literature, screen arts and gaming.

The (absence of a) policy

2.3 Several submitters and witnesses to the inquiry pointed out that the significant funding changes announced since the election of the coalition government were made in the absence of any articulation of an overarching arts policy. Ms Tamara Winikoff of ArtsPeak told the committee that:

one of the very great concerns that we have is that the decision has not been made within the context of a cultural policy—there is no cultural policy. It does lead you to view the decision with some scepticism, because there is no evidence base for this particular model to have been chosen over any other model. What we have called for repeatedly, in many of the submissions and in public comment, is the necessity for any party to develop a policy within which decisions like this are made. There is no policy now that we can assess this particular idea against to say, 'Was it a good idea or wasn't it?'¹

2.4 Others agreed: Ms Roslyn Dundas of Ausdance said there was 'a lack of policy clarity or leadership' behind the funding cuts,² and Ms Jennifer Layther of the South Australian Government also drew attention to the 'absence of a policy context' or evidence base for the decisions that had been made.³

2.5 It was noted that the Budget changes were made without any warning, consultation or transition arrangements: one witness observed that '[f]rom a public administration perspective, it has been exceptionally poorly managed'.⁴ Ms Sarah

1 Ms Tamara Winikoff, *Committee Hansard*, 5 August 2015, p. 7.

2 Ms Roslyn Dundas, *Committee Hansard*, 5 August 2015, p. 29.

3 Ms Jennifer Layther, Acting Executive Director, Arts SA, *Committee Hansard*, 18 September 2015, p. 57.

4 Ms Lyn Morgain, Chair, Board of Directors, Footscray Community Arts Centre, *Committee Hansard*, 5 August 2015, p. 11.

Tooth of the SA Writers' Centre referred to 'the dangers of an arts policy based in stealth and surprise rather than one based on evidence, research and consultation'.⁵

2.6 Ms Evelyn Richardson, Chief Executive of Live Performance Australia, noting that 'generally with a reform agenda the strategic objectives are clear at the outset',⁶ observed that 'in the absence of an overarching vision for our industry, there is no clear understanding of how the funding programs of the Australia Council and the NPEA will complement each other to meet their combined strategic aims'.⁷ A number of submitters and witnesses recommended that there needed to be, at minimum, a clear articulation of the respective and complementary roles of the Australia Council and the NPEA.

2.7 The Cultural Development Network, an organisation linking local government and arts communities, stressed the need for a coherent, integrated whole-of-government approach to arts policy, including a clearer differentiation between the roles and activities of the ministry and the Australia Council.⁸ ArtsPeak urged that the changes 'be halted or put on hold until a proper evidence based policy is developed and then, on the basis of evidence, decide what is the best way forward'.⁹

The Australia Council: what has been lost

2.8 While there were varying views on the potential benefits of new funding mechanisms, principally the establishment of the NPEA (see below), submitters and witnesses universally expressed deep concern about the significant cuts in funding to the Australia Council made in the 2014 and 2015 Budgets, and argued that any new initiatives should not come at the expense of Australia Council programs.

2.9 Witnesses acknowledged to an extent the government's argument that overall funding to the arts had been reallocated rather than reduced, and that decisions in relation to closing specific Australia Council programs were made by the Council itself. Nevertheless, the strong view of the arts sector was that the Australia Council had been placed in an impossible position, and there was little confidence that the gaps left by the diminution or cessation of key Australia Council programs would be adequately filled by the NPEA or other funding streams.

2.10 Community Arts Network WA submitted that:

We have operated in WA for 30 years and have witnessed, and responded to, many changes that have threatened our sector. There is nothing however that rivals the instability, upheaval and "vacuum" created by the recent

5 Ms Sarah Tooth, Director, SA Writers' Centre, *Committee Hansard*, 18 September 2015, p. 43.

6 Ms Evelyn Richards, *Committee Hansard*, 5 August 2015, p. 46.

7 Ms Evelyn Richards, *Committee Hansard*, 5 August 2015, p. 43.

8 Cultural Development Network, *Submission 175*.

9 Ms Tamara Winikoff, *Committee Hansard*, 5 August 2015, p. 7.

withdrawal of almost \$105 million from the Australia Council for the Arts.¹⁰

2.11 Witnesses pointed out that following the major review process of the Australia Council conducted in 2012, a new strategic plan for a significantly reformed Australia Council was launched by Minister Brandis in August 2014. At that time the minister stated that the strategic plan reflected the priorities of the coalition government and he was 'delighted therefore to welcome it and to enthusiastically endorse it'.¹¹ Witnesses and submitters affirmed that the strategic plan enjoyed broad support across the arts sector, and lamented that the 2015 budget decisions undermined the plan before it had been fully implemented and its effectiveness evaluated.

2.12 Artist, curator and Australia Council panel chair, Julianne Pierce, who had been involved in the Council's strategic planning process, reflected that:

Led by the inspirational Chair Mr Rupert Myer, the development of the Strategic Plan involved many voices from across the nation and is a great vision for ambition and excellence. It is disappointing to see that vision compromised so shortly after its release, by the removal of funds earmarked to implement the vision.¹²

2.13 Dr Alison Richards of Black Hole Theatre described the changes as a 'terra nullius' theory of arts funding:

It has been a 40-year battle to get the Australia Council to recognise the depth and diversity of the sector and what the small business sector of the arts actually does. We are finally getting there, and all of a sudden we have got to fight that battle all over again. But it does take 20 years to recover from this sort of cut.¹³

2.14 Ms Tricia Walton of Carclew said that it was 'very difficult to think how the alternative model that we are facing now is going to be as rigorous as [the Australia Council reforms] without [the] research, consultation and policy investment' that had been put into that process over two years.¹⁴

2.15 The Australian Major Performing Arts Group (AMPAG) remarked that the introduction of the NPEA '[i]ronically...has drawn the industry to articulate how important the Australia Council is and to reflect on its value over the many years—that it is an informed, honest and wise broker'.¹⁵

10 Community Arts Network WA, *Submission 469*, p. 1.

11 Senator the Hon George Brandis, Attorney-General for Australia, Media Release, 'Speech at Launch of the Australia Council Strategic Plan', Sydney, 18 August 2014.

12 Ms Julianne Pierce, *Submission 1822*.

13 Dr Alison Richards, *Committee Hansard*, 5 August 2015, pp 27-28.

14 Ms Patricia Walton, *Committee Hansard*, 18 September 2015, p. 11.

15 Ms Bethwyn Serow, Executive Director, AMPAG, *Committee Hansard*, 5 November 2015, p. 78.

2.16 The Australia Council itself acknowledged that '[w]e disappoint somewhere between 80 and 90 per cent of all applicants who apply to the Australia Council',¹⁶ but the arts sector had nonetheless voiced overwhelming support for the Council in its evidence to the inquiry. The Australia Council expressed its great appreciation for this 'commentary around the Australia Council and our performance'.¹⁷

Organisational core funding

2.17 Discussion was particularly prominent in relation to the cancellation of the Australia Council's 2015 round of six-year core funding for organisations, to be replaced by reduced funding in a four-year model. It was consistently emphasised to the committee that this cut was in no way mitigated by the creation of the NPEA, which explicitly excluded operational funding for organisations.

2.18 The cancellation of the six-year program was recounted by many witnesses as having had a devastating impact on their organisations, both in terms of the significant time and resources fruitlessly invested by organisations in preparing applications for that process, and the lacuna in which organisations were now left languishing. One witness referred to the 'profound uncertainty' for organisations during 'a very long, very bleak stretch between now and 2017' without the possibility of any new organisational funding.¹⁸

2.19 Moreover, there was widespread concern that even once the revised four-year program commenced, the reduction in funding would mean that many more organisations missed out. The new program would include a \$300,000 funding cap per organisation¹⁹, and the arts community said it had been advised by the Australia Council that the number of organisations granted core funding, 147 under the previous program, would be cut by at least one third, and maybe as much as half.²⁰

2.20 Dr Alison Richards of Black Hole Theatre said that for smaller companies 'artistic excellence alone is not enough. We need infrastructure', observing that

16 Mr Rupert Myer, Chair, Australia Council for the Arts, *Committee Hansard*, 5 November 2015, p. 85.

17 Mr Rupert Myer, Chair, Australia Council for the Arts, *Committee Hansard*, 5 November 2015, p. 81.

18 Ms Fiona Symonds, Chief Executive Officer, WA Youth Jazz Orchestra Association, *Committee Hansard*, 1 September 2015, p. 43.

19 Australia Council for the Arts, *Four Year Funding—Organisations*, at <http://www.australiacouncil.gov.au/funding/new-grants-model/four-year-funding-organisations/> (accessed 16 October 2015).

20 Ms Amy Barrett-Lennard, Director, Perth Institute of Contemporary Arts, *Committee Hansard*, 1 September 2015, p. 62; Mr Lachlan McDonald, answer to question on notice taken on 1 September 2015 (received 25 September 2015), p. 3; Mr Robert Brookman, Director and co-Chief Executive Officer, State Theatre Company of South Australia, *Committee Hansard*, 18 September 2015, p. 23.

philanthropy would not take the place of government funding for organisational support.²¹ Contemporary Art Organisations Australia (CAOs) believed that:

...a substantial reduction in operational funding across organisations in the small to medium sector throughout Australia will result in a critically diminished resource pool, affecting the ecology of the visual arts sector in ways which will negatively and irreconcilably impact sustainability and growth.²²

2.21 Mr Aaron Beach of Co3 dance company said that without money for staffing, training and expertise:

...to draw on a sporting analogy—it would be like saying to your elite football team, "Go and work all week in your cafe or your bar or restaurant and play the games on the weekend."²³

2.22 ArtsPeak advised the committee that it had surveyed the visual arts sector to understand the impact of the loss of organisational funding from the Australia Council, which confirmed the important link between core funding from the Council and organisations' ability to access other sources of funding:

...we did a survey of the sector in order to inform the submission that we made to the Senate inquiry and, almost without exception, those organisations were saying that, although the Australia Council funding is not all of our operational budget, it is the pivotal part, so other funding is conditional on us getting this money. The money that we are able to attract from the private sector or from state governments is actually contingent on the Australia Council's funding. So what we are afraid of is that, if those organisations' budgets are contracted by, say, about one-third—which is the least we could expect, if not total cuts—it may render those organisations unviable, in spite of the fact that there may be potential support coming from other sectors. For example, where the Australia Council had already started giving six-year funding to a sample of organisations, they were able to unlock eight times the amount of money from the private sector to match the Australia Council funding; but without the Australia Council funding they will not be able to do that.²⁴

2.23 CAOs²⁵ and other submitters such as Arts Access Victoria,²⁶ and Slingsby Theatre Company²⁷ commented on the negative impact the reduction of the Australia Council's core funding program had in particular on their ability to develop their capacity to engage with the corporate and philanthropic sector.

21 Dr Alison Richards, *Committee Hansard*, 5 August 2015, p. 21.

22 Ms Alexie Glass-Kantor, *Committee Hansard*, 11 September 2015, p. 31.

23 Mr Aaron Beach, *Committee Hansard*, 1 September 2015, p. 73.

24 Ms Tamara Winikoff, *Committee Hansard*, 5 August 2015, p. 3.

25 Ms Alexie Glass-Kantor, *Committee Hansard*, 11 September 2015, p. 33.

26 Mr Paul Dunn, *Committee Hansard*, 5 August 2015, p. 49.

27 Mr Andrew Packer, *Committee Hansard*, 18 September 2015, p. 27.

2.24 As described by Ms Lorna Hempstead from TheatreiNQ:

We constantly stagger from short term to short term. Finally, in 2015 there is six-year funding, which ... gives you time to say, 'Right, we are going to start here and in two, four and six years this is where we are going.' You can actually write a coherent plan that actually then lets you go and approach some of the philanthropic funders—some of the main corporate funders—because they are planning two, four and six years out, as well, and they can see that they are funding a possible winner and not something that is likely to wither on the vine on the way through. Those sorts of things are really important.²⁸

2.25 Organisations advised the committee that it was the core funding of the Australia Council that provided confidence to potential investors that an organisation was a stable and credible one, and therefore a good investment prospect: as described by the Association of Northern Kimberley Arnhem Land Aboriginal Arts, 'stability [to] reassure corporate and philanthropic partners that this is an organisation they can rely on and that it is not going to fall over tomorrow if they give their valuable money to it'.²⁹ The Yirra Yaakin Aboriginal Theatre Company agreed that '[c]orporates are more likely to partner with organisations that are financially secure and have strong governance and the resources and infrastructure to deliver outcomes'.³⁰

2.26 In this respect representatives of the small and medium organisations were supported by AMPAG, who emphasised that organisational support was a key element of the success of the funding framework for the major arts organisations, and was equally necessary 'to build a similar sustainability and stability in the small to medium arts sector'.³¹

2.27 On a related point, artist and consultant Mr Lachlan McDonald pointed out that in the business sector, such dramatic changes would not be made without planning and funding for 'business transmission' to the new systems. He recommended that, if the cuts to organisational funding went ahead, support must be provided by government to assist affected organisations mitigate against the damage caused by the speed and uncertainty of the changes.³²

ArtStart

2.28 The loss of the *ArtStart* grants scheme for young and emerging individual artists was singled out by many as a particularly disappointing decision, and a crushing blow to young and emerging artists. Dr Susan Ostling of Queensland's Flying Arts Alliance described *ArtStart* as 'a most astonishingly successful program...one of

28 Ms Lorna Hempstead, *Committee Hansards*, 27 October 2015, p. 21.

29 Ms Christina Davidson, *Committee Hansard*, 29 October 2015, p. 47.

30 Mr Peter Kift, *Committee Hansard*, 1 September 2015, p. 34.

31 Australian Major Performing Arts Group, *Submission 150*, p. 7.

32 Mr Lachlan McDonald, answer to question on notice taken on 1 September 2015 (received 25 September 2015).

the great innovations that has happened in the last decade'.³³ Mr Ross McHenry said that '[i]f you look at the data...on that program, you see that it was one of the most overwhelmingly successful seed funding programs within the arts that I think Australia has ever seen'.³⁴ Mr Simon Abrahams of the Melbourne Fringe cited an independent study which found that emerging artists initially supported by an *ArtStart* grant were less reliant on grants through their later careers.³⁵

2.29 Early career artist Liesel Zink was one of many submitters and witnesses who recounted the benefits the *ArtStart* program had afforded them. Ms Zink told the committee that *ArtStart*:

provided support that extended well beyond immediate artistic and career development. It actually allowed me to enter into the industry. This is not only through building networks and partnerships but also through gaining recognition from a national initiative—but also through developing skills and confidence in grant writing. *ArtStart* gave me leverage and a stepping stone to apply for more competitive grants and opportunities open to all artists in Australia.³⁶

2.30 Ms Annie Greig of Tasdance believed that with the removal of *ArtStart*, young artists would 'be stepping back into the dark ages'.³⁷ Bearing in mind the difficulty early-career and individual artists would face competing in the Australia Council's general grants program, and their ineligibility for the NPEA, Ms Monique Douglas of Propel Youth Arts asked simply 'Where are young and emerging artists supposed to go?'³⁸

Artists in residence

2.31 Several submitters mentioned the value the Artists in Residence program had brought to arts practice and education outcomes, and expressed disappointment about its cancellation. Witnesses including Professor Matthews of Australian Poetry Ltd and Ms Tricia Walton of Carclew offered practical examples of the valuable initiatives supported by that program in regional schools.³⁹

2.32 The Queensland Government said cessation of the program combined with the roll-back of the National Arts Curriculum, would 'compound [an] unmet need'.⁴⁰

33 Dr Susan Ostling, *Committee Hansard*, 11 September 2015, p. 26.

34 Mr Ross McHenry, *Committee Hansard*, 18 September 2015, p. 62.

35 Mr Simon Abrahams, *Committee Hansard*, 5 August 2015, p. 68.

36 Ms Liesel Zink, *Committee Hansard*, 11 September 2015, p. 66.

37 Ms Annie Greig, *Committee Hansard*, 3 September 2015, p. 54.

38 Ms Monique Douglas, *Committee Hansard*, 1 September 2015, p. 47.

39 See Professor Peter Matthews, *Committee Hansard*, 5 August 2015, p. 38; Ms Tricia Walton, *Committee Hansard*, 18 September 2015, p. 13.

40 Queensland Government, *Submission 793*, p. 2.

Creative Community Partnerships Initiative (CCPI)

2.33 The importance of the CCPI program for regional and rural community-based initiatives was particularly emphasised by witnesses to the inquiry from Western Australia.⁴¹ While it was recognised that co-funded projects comprised a core stream of the proposed NPEA, witnesses remained to be convinced that the same community-level and regional focus would be maintained in a program open to a much broader range of organisations and activities.

Research and data

2.34 Several witnesses drew the committee's attention to the irony that the funding cuts to the Australia Council would result in cuts to its research, data and analysis program, thereby eroding the evidence basis for arts policymaking. Ms Nicole Beyer of ArtsPeak said that:

One of the big problems that we have had in the arts sector is providing our own evidence about the strength of the small-to-medium sector and independent artists. We have never had the resources to do deep research. It is something that we have been calling on the ministry to work with us on for a number of years. It has been difficult for us to pull these figures together. The Australia Council had as a part of its reform package started a new research program, which, again, has been disrupted because of this funding being pulled out. Good policy needs to be made on the basis of good evidence, so we need better evidence as well in the arts.⁴²

2.35 Beyond data about the sector itself, a number of witnesses also raised the value and importance of research on relationships between the arts and other sectors such as science, health and education. Mr Joshua Hoare of the South Australian Circus Centre offered the example that the role of arts in the wellbeing and social integration of young people was 'tragically under-researched'.⁴³

2.36 Professor Nikos Papastergiadis and Associate Professor Lawrence Harvey feared that leading creative sector research, including cross-disciplinary collaborations between the Australian Research Council and the Australia Council, would no longer be able to proceed following the funding cuts.⁴⁴ Professor Brad Haseman believed that this would have a 'significant impact' on research available to and for the arts.⁴⁵

2.37 Ms Vicki Sowry of the Australian Network for Art and Technology (ANAT) provided the committee with a powerful example of the social and economic value that collaborative arts research supported by the Australia Council could generate:

41 See *Committee Hansard*, 1 September 2015, pp 22, 27, 71-72.

42 Ms Nicole Beyer, *Committee Hansard*, 5 August 2015, p. 3.

43 Mr Joshua Hoare, *Committee Hansard*, 18 September 2015, p. 9.

44 Professor Nikos Papastergiadis, *Committee Hansard*, 5 August 2015, p. 55; Associate Professor Lawrence Harvey, *Committee Hansard*, 5 August 2015, p. 56.

45 Professor Brad Haseman, *Committee Hansard*, 11 September 2015, p. 24.

An example of the benefit that can come from that type of activity was the award-winning partnership between an artist called George Khut—he works with biofeedback technologies in his artworks—who worked with the Children's Hospital at Westmead with a paediatrician, Dr Angie Morrow, who is always having to take children through recurrent painful procedures. Once they have had the first procedure, they know it is going to hurt the second time, so the anxiety builds.

The way they had dealt with that anxiety previously was distraction—throw on a DVD of *Monsters, Inc.* They felt there could be a way of working together to create a tool that could help in that regard. They created an app, which is on an iPad. It is fed by the heart rate of the child who is going through the procedure. They are rewarded, as they are able to self-calm, by the app giving them more jollies in sound and movement. They are doing a whole lot of trials. I think they are almost at the end of a trial period now, and they have got a device that they are going to commercialise for a range of settings...There are a lot of different kinds of therapeutic uses for that type of tool. That was what was possible by bringing an artist, who had experience in a particular type of technology, into this setting and saying, 'Look. We can do much better than what is currently being done'.⁴⁶

2.38 Ms Sowry advised that the Australia Council had invested just over \$300,000 into the project over four years, and the project had in that time generated over \$2 million worth of industry investment. Following the cuts to its budget, the Australia Council had indicated that those types of programs would no longer be supported.⁴⁷

The National Program for Excellence in the Arts

2.39 The establishment of the National Program for Excellence in the Arts (NPEA) was the single subject of most commentary in the inquiry, and the overwhelming majority of that commentary was highly critical of the proposed program.

2.40 Most submitters urged the cancellation of the NPEA, primarily in order that the funds allocated to it be returned to the Australia Council. There was also a range of specific criticisms of the program itself, which are discussed further below.

2.41 That said, there were some submitters, albeit a minority, who saw the NPEA as an opportunity to support new and distinct directions in the arts. Artslink Queensland expressed the view that 'multiple players bring new ideas that enrich the environment by creating diversity of resources and opportunity'.⁴⁸ AMPAG told the committee that it 'broadly supports the intentions and focus' of the NPEA, and believed it 'could stimulate support for new arts initiatives and activity that potentially will strengthen the sector'.⁴⁹

46 Ms Vicki Sowry, *Committee Hansard*, 18 September 2015, p. 33.

47 Ms Vicki Sowry, *Committee Hansard*, 18 September 2015, p. 33.

48 Artslink Queensland, *Submission 806*, p. 3.

49 Australian Major Performing Arts Group, *Submission 150*, p. 4.

2.42 Professor Ted Snell, of University Art Museums Australia, offered the view that the NPEA had the potential to play a valuable role in supporting more ambitious projects than the Australia Council had been able to do:

There was always talk within the Australia Council of the need for aspirational funding for organisations to be able to go for really big bucks. Although the Australia Council has been relatively generous in its funding, there has always been a cap. If you wanted to do a really major production or a major exhibition or something, you were limited in the amount of money you could go for. It is my understanding that under the NPEA that sort of aspirational opportunity would be there. Additionally I think there would be an opportunity to look at promoting Australian artists internationally in a way that the Australia Council was never able to do. I think those are all incredibly important aspects of building Australian culture at an international level, and that would be a wonderful thing.⁵⁰

2.43 However, even those who welcomed the NPEA almost unanimously argued that it should be supported by new funding, not come at the expense of the existing programs of the Australia Council. AMPAG was concerned that the NPEA launch had interrupted the implementation of the Australia Council's new strategic plan and said that the concerns expressed across the sector about the impact of the changes were shared by many of AMPAG's members.⁵¹

2.44 Professor Snell agreed, saying that 'there is no point in having a NPEA if you are not going to have the artists that are coming up with the skills, the professional knowledge, developing an audience who can understand what this stuff is all about and working through schools...All of these programs are built through core funding from the Australia Council and project funding'.⁵²

The process of establishing the NPEA

2.45 Members of the arts community were extremely unhappy that the establishment of the NPEA had been announced as a *fait accompli* in the 2015 Budget entirely without warning, and certainly without any consultation with the sector. This was contrasted with the extensive consultation process which went into the Australia Council's reform process, as discussed above. Ms Pilar Kasat of the Community Arts Network in WA observed that the lack of consultation behind the NPEA did 'not reflect well in terms of building trust and confidence in the process that may follow'.⁵³

The criteria for funding

2.46 The draft NPEA guidelines, issued in July 2015, gave witnesses before the committee little reassurance that the program would be of value. The criteria for approval of projects were subject to a great deal of concern expressed to the

50 Professor Ted Snell, *Committee Hansard*, 1 September 2015, p. 67.

51 Australian Major Performing Arts Group, *Submission 150*, p. 4.

52 Professor Ted Snell, *Committee Hansard*, 1 September 2015, p. 67.

53 Ms Pilar Kasat, *Committee Hansard*, 1 September 2015, p. 23.

committee. Ms Monique Douglas from Propel Youth Arts in Western Australia described the criteria as 'vague and ambiguous'.⁵⁴ Ms Evelyn Richardson of Live Performance Australia said that:

Specifically, our members have raised concerns in relation to the eligibility and assessment criteria. We would argue that these need to be revised to include more precise definitions of currently ambiguous and subjective assessment criteria, such as: value for money; audience appeal and demand; relevance and likely appeal to audience and communities; and likely ongoing benefits of partnerships. At the moment the guidelines are very general. It is very difficult for an applicant to know what that is going to mean in relation to preparing a submission.⁵⁵

'Excellence'

2.47 Very many submitters and witnesses had much to say about the concept of 'excellence' underpinning the NPEA: how excellence was defined and understood, and how it was given expression in the draft guidelines:

...'excellence' is not defined, but, not only that, there are actually no artistic criteria for selection in the program at all, if we look at the guidelines. We do not even have one about excellence. The closest one is about quality and, if we drill down to what is mentioned there, even that relates to capacity to deliver financial managerial track records and so on.⁵⁶

2.48 Ms Jennifer Layther from the South Australian Government reflected that the very notion of excellence may prioritise a certain type and standard of finished product, at the expense of supporting community-based arts development and arts engagement activities:

The value and the benefit of those works is through the engagement, the doing, the relationship building and the art making as much as whatever the artistic product might be. So there are benefits all the way along that spectrum. The traditional notions of excellence tend to focus on aesthetic excellence in the production values of something, so I think there is a risk that assessment panels or whoever is assessing will struggle to recognise the values that are inherent in those projects that engage with community, that engage with the arts and health notion.⁵⁷

2.49 Ms Jessica Machin of Country Arts WA agreed that 'in the criteria we need some more detail around that engagement and what is the definition of excellence, especially from the regional arts perspective'.⁵⁸ Mr Neil Haddon of Contemporary Arts Tasmania elaborated on a similar concern:

54 Ms Monique Douglas, *Committee Hansard*, 1 September 2015, p. 42.

55 Ms Evelyn Richardson, *Committee Hansard*, 5 August 2015, p. 45.

56 Ms Esther Anatolitis, *Committee Hansard*, 5 August 2015, p. 17.

57 Ms Jennifer Layther, *Committee Hansard*, 18 September 2015, p. 59.

58 Ms Jessica Machin, *Committee Hansard*, 1 September 2015, p. 24.

Of course, there are a lot of grey areas here which we do not fully understand with the NPEA but as far as I understand it, the seeming concern with excellence, whatever that might be—and it is not clear at this stage—would seem to privilege organisations which can respond to a set of criteria which are not appropriate to our context... If the model that Senator Brandis has proposed seeks a form of excellence that does privilege major companies that can respond in shiny ways to a notion of excellence then that will necessarily impact very heavily on our capacity to do what is right for our community in the geographic location that we are.⁵⁹

Small-to-medium fish in a 'major' pond

2.50 While the NPEA was open to all organisations, including small and medium organisations, the practical ability of smaller arts organisations to be competitive in applications to the NPEA under the criteria set out in the draft guidelines was brought into question by many. AMPAG itself observed that:

The NPEA is open to a broader range of arts organisations than under the Australia Council's current grant funding program including libraries, collecting institutions, the Major Performing Arts companies and commercial organisations. This is likely to encourage new applicants and ideas, but will also increase the competition for funding...the level of competition faced by small to medium arts organisations and individual artists will have a significant impact on their overall level of activity and sustainability, if left unaddressed.⁶⁰

2.51 Artist Ms Kathryn Osborne said:

...as small to mediums with less resources, we are being forced now to compete with the major performing arts organisations for the NPEA money...even though it is not specifically stated in the guidelines that it is for the majors, the requirements are tailored so heavily towards them and giving them an advantage that it is going to inadvertently affect the smaller organisations, who have less resources to leverage the relationship.⁶¹

2.52 A group of six arts academics from UNSW analysed the funding criteria in the NPEA draft guidelines in detail, and concluded that the draft criteria made it clear that small and medium arts organisations were unlikely to succeed in obtaining funding:

Specifically, the guidelines refer to Quality, Access, Support and Partnerships, and Value for Money. The first two criteria listed under Quality are: "Experience and reputation of the applicant organisation in the relevant field" and "Skills, expertise and reputation of the key personnel including participating artists", both of which strongly favour established artists over emerging ones. Within the category of Support and Partnerships, four of the seven criteria refer to cash, co-contributions,

59 Mr Neil Haddon, *Committee Hansard*, 3 September 2015, p. 21.

60 Australian Major Performing Arts Group, *Submission 150*, p. 3.

61 Ms Kathryn Osborne, *Committee Hansard*, 1 September 2015, p. 92.

philanthropy and corporate support. If this were not enough, there is another category called Value for Money, with another seven criteria addressing budgets and viability. These criteria favour organisations that already have fundraising departments, which is to say the Majors whose funding has already been guaranteed under these new arrangements.⁶²

2.53 The group added that the emphasis on international touring worked at cross-purposes with the bias toward major performing arts companies, given that small to medium companies had a much stronger record of overseas touring than the majors.⁶³ This analysis was shared by others: Ms Merryn Carter from the Performing Arts Touring Alliance advised the committee that small to medium companies accounted for 82 per cent of the total international audiences for touring Australian performances.⁶⁴

2.54 Ms Fiona de Garis from Performing Lines WA further observed that international touring, while valuable, was very expensive, and argued that agencies such as the Department of Foreign Affairs and Trade (DFAT) should contribute to its funding, rather than relying solely on scarce arts funding.⁶⁵

2.55 Summarising the analysis of many about the draft NPEA criteria, independent musician Mr Aaron Wyatt predicted that:

...a system of grants funding that favours larger companies over individuals, that favours works with commercial appeal over works that take risks and that favours those already established enough to garner private funding over those just embarking on their careers would see creative output in this country stagnate and veer towards the conservative...these changes to funding, as outlined in the draft guidelines of the NPEA, could undermine the very excellence that the program seeks to promote.⁶⁶

Corporate sponsorship / philanthropy

2.56 The emphasis in the NPEA guidelines on projects co-funded with corporate or philanthropic partners, both in the 'endowment incentives' stream dedicated to such projects, and in the criteria for the program as a whole, was a matter of some discussion during the inquiry. In particular, it was generally understood that smaller organisations were in a far poorer position to access partner funding than major organisations.

2.57 The committee was told that one factor limiting the ability of the small to medium arts sector to access private funding opportunities was the considerable

62 Dr Caroline Wake, Dr Erin Brannigan, Dr Meg Mumford, Dr Theron Schmidt, Dr Bryoni Trezise and Ms Su Goldfish, *Submission 581*, p. 4.

63 Dr Caroline Wake, Dr Erin Brannigan, Dr Meg Mumford, Dr Theron Schmidt, Dr Bryoni Trezise and Ms Su Goldfish, *Submission 581*, p. 4.

64 Ms Merryn Carter, *Committee Hansard*, 5 August 2015, p. 60.

65 Ms Fiona de Garis, *Committee Hansard*, 1 September 2015, p. 17.

66 Mr Aaron Wyatt, *Committee Hansard*, 1 September 2015, p. 87.

amount of time and investment required to establish corporate and philanthropic partnerships. Ms Emma Webb from Vitalstatistix, for example, said that small to medium arts organisations such as hers often lacked the resources and the capacity to develop those relationships.⁶⁷

2.58 Dr Paula Abood from the Centre for Community Arts and Cultural Development said:

From my reading of the NPEA guidelines, I think it is geared towards organisations which have the infrastructure and capacity to leverage philanthropic and corporate sponsorship. The small-to-medium organisation sector and individuals do not have that infrastructure. As individual artists, you are your infrastructure and you are competing against professional grant writers and majors which have whole departments...it is not a level playing field for individual artists, and emerging artists do not have those sorts of opportunities because they do not have those years of building up those networks.

...Funds from philanthropy are available, but they are competitive and it is not a level playing field.⁶⁸

2.59 Representatives of the arts community were frustrated that the reduction in organisational funding from the Australia Council to the small to medium arts sector would exacerbate this problem. As discussed above, many organisations informed the committee that Australia Council funds contributed to their 'core' or 'organisational' funding, enabling them to seek corporate and philanthropic funding which was generally directed to 'project' funding. As explained by ArtsPeak:

If you have a look at the pattern of what philanthropy goes to, you will see that it goes to projects. It almost never goes to paying for the operations of an organisation. So when the government withdraws its support from that area, there is no option for philanthropists to step in.⁶⁹

2.60 Mr Wesley Morris offered the experience of his organisation, the Kimberley Aboriginal Law and Cultural Centre:

When we run large regional festivals, at a cost of between \$300,000 and \$400,000 each, they are almost exclusively funded by philanthropic and corporate non-government sources, but we need core staff wages to be able to implement those important projects. Without our staff wages paid for by government, we do not have the capacity to go to philanthropy and the corporates to access that \$400,000 to run our festivals. [This is] the important differentiation between the philanthropic and corporate world paying for projects, and the government investing ... [in] core operational costs.⁷⁰

67 Ms Emma Webb, *Committee Hansard*, 18 September 2015, p. 27.

68 Dr Paula Abood, *Committee Hansard*, 4 November 2015, p. 63.

69 Ms Tamara Winikoff, *Committee Hansard*, 5 August 2015, p. 8.

70 Mr Wesley Morris, *Committee Hansard*, 29 October 2015, p. 48.

2.61 CAOs further emphasised this point:

No organisation in the small to medium sector in this country is reliant solely on government funding. But what we lose by losing our government funding is the ability to be supported and sustainable to self-generate the additional funds which support a level of excellence and ambition, which is exceptional. If we lose the operational funding, we lose that capacity. We cannot self-generate funds, if we do not have staff – that is it.⁷¹

2.62 At the committee's hearing in Parramatta, Mr Shakthidharan Sivanathan from Curiousworks articulated the reality for his community arts organisation:

I would say in the next year or two if our Australia Council funding dries up we will still be able to use our credibility to raise money, but we will not be a co-investment anymore...So three or four years from now, not having that initial 200 grand might end up resulting in having nothing at all. That is the danger. The reason I think the arts sector is interested in this is because we can see how something that is happening now can have a very dramatic effect say five or six years from now.

...

If the NPEA had been established as an overall increase to arts funding without cutting the Australia Council you could paint a very different picture, but it comes at the cost of the very dollars that we used to raise co-investment through philanthropic funding, and that is why groups like Philanthropy Australia recognise that and have seen that the NPEA will not be able to increase overall philanthropic funding.⁷²

2.63 The concerns raised by organisations from the small to medium arts sector were echoed by philanthropic bodies in their evidence to the committee. Mr Phillip Keir from The Keir Foundation said that the recent budget decision on the arts 'should be considered as negative in terms of developing arts philanthropy' and that:

[t]he changes create uncertainty in terms of viability of projects and sometimes of arts companies. To a large extent, raising funds is a confidence game. If there is less confidence, there is less money. The changes also are leading to less core funding for some companies. This also makes support harder to find. Philanthropists generally do not favour filling a void left by a reduction in government funding.⁷³

2.64 Mr Krystian Seibert, from Philanthropy Australia, reaffirmed the concerns of its members from the small to medium arts sector that:

Many small- and medium-sized arts organisations and individual artists would face considerable challenges securing replacement funding from Philanthropy, given that the capacity to engage with Philanthropy can be

71 Ms Alexie Glass-Kantor, *Committee Hansard*, 11 September 2015, p. 33.

72 Mr Shakthidharan Sivanathan, *Committee Hansard*, 4 November 2015, p. 8.

73 Mr Phillip Keir, *Committee Hansard*, 5 November 2015, p. 44.

limited when compared with large organisations with established fundraising and development departments. Therefore, we believe that due consideration needs to be given to the needs of small- and medium-sized organisations and individual artists and how the decision to establish the program may impact upon them.⁷⁴

2.65 Mr Seibert added, in relation to the funding gap produced by the NPEA's draft guidelines for small to medium organisations, that 'addressing funding gaps is not the role of philanthropy'.⁷⁵ This view was reinforced by Ms Fiona Menzies from Creative Partnerships Australia who said the philanthropic community 'do not like to be seen as just being there to pick up the tab when governments pull out. That is absolutely a very strong sense that I get from the philanthropic community'.⁷⁶

2.66 Philanthropy Australia proposed that:

in order to support the achievement of [the NPEA's] objectives, facilitate two-way feedback between the Australian government and key stakeholders and provide an element of independent external oversight there would be merit in establishing an advisory board to provide expert advice to the Minister for the Arts and the ministry on matters of relevance to the program. This panel should include representation and expertise from Philanthropy, given the support that Philanthropy provides to the sector.⁷⁷

2.67 Another issue raised in relation to corporate and philanthropic financial support was its inequitable distribution across arts sectors and communities. Art organisations based in Western Australia, Queensland, South Australia and Tasmania, especially those from regional areas, commented on the limited opportunities available to them to access corporate and philanthropic funds. TheatreINQ said that:

[T]he closer you are to Sydney or Melbourne, the easier it is. To gain philanthropic funding or to gain private donations, you need to form a relationship with those who have the money. The further you are away from those who have the money, the harder it is...In Townsville and Cairns we are probably much better placed than someone like the Mornington Island dancers or a group much further away from even a regional centre—other than partnering with local authorities.⁷⁸

2.68 Feral Arts said that 'Queensland has a much smaller pool of philanthropic partners to draw on'⁷⁹ and Festivals Adelaide commented that South Australia had relatively few relevant companies headquartered in the state.⁸⁰

74 Mr Krystian Seibert, Committee Hansard, 5 November 2015, p. 45.

75 Mr Krystian Seibert, Committee Hansard, 5 November 2015, p. 45.

76 Ms Fiona Menzies, *Committee Hansard*, 5 November 2015, p. 55.

77 Mr Krystian Seibert, *Committee Hansard*, 5 November 2015, p. 44.

78 Ms Lorna Hempstead, *Committee Hansards*, 27 October 2015, p. 21.

79 Mr Norm Horton, *Committee Hansard*, 11 September 2015, p. 26.

80 Ms Christabel Anthony, *Committee Hansard*, 18 September 2015, p. 19.

2.69 The weakening of the resource sector in Western Australia, previously a valuable source of support for the arts, had resulted in a reduction in corporate sponsorship opportunities for the small to medium arts sector in that state. Country Arts WA told the committee that:

...in regional WA with the decline in the resources sector, many of the corporate companies that did support small-to-mediums and community organisations are walking away. BHP Billiton, for example, has just pulled out of a long-term partnership with Hedland Arts Council in Port Hedland; we were supporting building their capacity. A lot of the small-to-mediums and independent and smaller organisations do get affected in this climate.⁸¹

2.70 Certain sectors within the arts community also told the committee that they experienced difficulties engaging with corporate and philanthropic donors. These included the literary sector, and disability arts organisations. Fremantle Press said it was 'very difficult to raise corporate sponsorship compared to the performing arts... We do not have a season whereby people can have their logos flashed around and get their free tickets'.⁸² Mr Paul Dunn from Arts Access Victoria said that the arts and disability sector 'can be marginalised... when it is competing sometimes with the mainstream arts and cultural development context'.⁸³

2.71 A number of individual artists also commented on the problems they faced when seeking philanthropic funding because philanthropic organisations required recipients to have deductible gift recipient status, which often did not apply to individual artists.⁸⁴ Melbourne Fringe commented that:

Independents do not have tax deductibility status themselves, so they are not eligible for a lot of philanthropic trusts and foundations or individual giving. There are programs, for example, through Creative Partnerships Australia, that can enable crowdfunding, and the Australian Cultural Fund is a means through which some donations can be received. The average donation to the Australian Cultural Fund for an independent artist is \$8,695. Other artists use crowdfunding platforms like Pozible, which is not tax-deductible. The average pledge is around \$5,000. The large organisations are often able to access what is called a private ancillary fund, which is a tax-deductible family fund that private foundations can use in a tax-efficient way to support charitable purposes like the arts. Those funds do not have to be publicly advertised and most of them do not accept applications, which means that individual artists cannot simply apply to them.⁸⁵

81 Ms Jessica Machin, *Committee Hansard*, 1 September 2015, p. 26.

82 Mr Ian Lilburne, *Committee Hansard*, 1 September 2015, p. 51.

83 Mr Paul Dunn, *Committee Hansard*, 5 August 2015, p. 51.

84 Ms Nicole Beyer, *Committee Hansard*, 5 August 2015, p. 8.

85 Mr Simon Abrahams, *Committee Hansard*, 5 August 2015, p 74.

Assessing applications: peer review vs ministerial control

2.72 Many witnesses were sceptical about the proposed NPEA model for assessing grant applications, seeing this as failing to offer an authentic peer review system, and opening a door to political interference in arts funding decisions.

2.73 While witnesses readily conceded that the Australia Council's decision making processes had not always been perfect, the majority were strong in their defence of the Council's system of comprehensive, arm's-length peer review as a model for funding the arts. Ms Beyer of ArtsPeak said that:

Peer assessment, which has been operating at the Australia Council since the council has existed, is flawed, and we know that. But it is the best system we have to make sure that there is expertise and wide decision making. It is the same as in, for example, science. Peer assessment is what scientists use to assess papers, new patents and new medicines. It is the same in the arts. Peer assessment is actually the best model that we have.⁸⁶

2.74 Dr Elizabeth Jones, CEO of La Mama Theatre, reflected upon her 40-year association with the Australia Council: 'My relationship with the Australia Council has at times been very successful and wonderful, and at other times it has been quite difficult and fraught. But I can say that at all times I have not doubted the integrity of the processes'.⁸⁷ Professor Peter Matthews, Executive Chairman of Australian Poetry Ltd, argued that it was fair and reasonable that peers judge artists' work:

We may not always agree with their assessment, but they get it right most of the time. Peers are better and fairer judges than those with the authority of office and strong views but without detailed understanding of the subtlety of arts practice.⁸⁸

2.75 The Community Arts Network WA linked the peer review process to the notion of 'excellence' underpinning the NPEA, '[b]ecause excellence is such a subjective term...the way that that is applied is through the peer process'.⁸⁹

2.76 Witnesses questioned both the expertise and the robustness of the proposed model of three 'assessors' under the NPEA. Mr Rick Heath of the Australian Performing Arts Centres Association (APACA) expressed doubt that three individuals, as opposed to the Australia Council's panels of twelve, could adequately assess the value of applications.⁹⁰

2.77 The possibility of the minister exercising personal influence over the assessment process was raised by many. The inclusion of ministry officials on the assessment panels gave some cause for concern; as did the provision in the draft NPEA guidelines that the ministry may 'moderate' funding assessments, including on

86 Ms Nicole Beyer, *Committee Hansard*, 5 August 2015, p. 5.

87 Dr Elizabeth Jones, *Committee Hansard*, 5 August 2015, p. 21.

88 Professor Peter Matthews, *Committee Hansard*, 5 August 2015, p. 37.

89 Ms Pilar Kasat, *Committee Hansard*, 1 September 2015, p. 25.

90 Mr Rick Heath, *Committee Hansard*, 1 September 2015, p. 10.

the grounds of government policy objectives. Submitters and witnesses worried about the implications of this for merit-based funding.⁹¹ Professor Peter Matthews of Australian Poetry Limited described the moderation clause as 'very unusual' and 'a serious alarm bell because it means a panel, even if it was entirely experts in its configuration, could be totally ignored under these arrangements'.⁹²

2.78 ArtsPeak believed that there was 'every opportunity for the minister to...stack the assessors...but also to directly intervene in any recommendations they have made'.⁹³

2.79 Some witnesses believed that these provisions in the NPEA may have a 'chilling effect' on artists, making them reluctant to produce work critical of authority or government, for fear of losing access to public funds.

2.80 On this point, talking about the international stream of funding under the NPEA and the potential role of DFAT in making funding decisions, Mr Simon Abrahams of the Melbourne Fringe emphasised the distinction between cultural diplomacy and art:

The role of cultural diplomacy is to present a positive view of Australia. Arts projects frequently further the interest of DFAT's cultural diplomacy programs, and they have been funded separately by DFAT when they serve foreign policy objectives. But the role of arts funding is different. The importance of freedom of artistic expression cannot be overestimated. Arts funding must include the capacity to critique contemporary Australian culture. Indeed, this is fundamental to our job.⁹⁴

2.81 On the other hand some, such as AMPAG and Regional Arts Australia (RAA), expressed confidence in the ministry's work. RAA described the ministry as an 'experienced and respected funding agency' and noted its 'commitment to peer assessment and the use of independent assessors'. RAA urged the ministry to 'ensure that its decision making remains defensible and accountable, that there is not unnecessary duplication, and that the principle of independence is upheld'.⁹⁵

2.82 The ministry defended the proposed assessment process for the NPEA (and the Catalyst fund), noting that arts funding decisions were made by the relevant minister in all state and territory jurisdictions, with an element of peer or independent assessment.⁹⁶

91 Mr Ross McHenry, *Committee Hansard*, 18 September 2015, p. 63.

92 Professor Peter Matthews, *Committee Hansard*, 5 August 2015, p. 40.

93 Ms Tamara Winikoff, *Committee Hansard*, 5 August 2015, p. 5.

94 Mr Simon Abrahams, *Committee Hansard*, 5 August 2015, p. 68.

95 Regional Arts Australia, *Submission 1131*, p. 4.

96 Ms Sally Basser, Executive Director, Ministry of the Arts, *Committee Hansard*, 23 November 2015, p. 19.

Transparency: publication of grant decisions

2.83 Another provision in the draft guidelines heavily criticised by submitters and witnesses was that which appeared to indicate that the minister may seek exemption from publishing details of grant decisions⁹⁷, in contrast to the Australia Council's practice of publishing all grants made. As one witness stated:

I think the principle of transparency in funding using taxpayer money is absolutely fundamental. I do not think any government should have the right to use taxpayers' money without being fully accountable, openly and publicly. I understand there are very few circumstances under which the current Commonwealth grant process results in funds being disbursed secretly, but, nevertheless, that is a possibility.⁹⁸

2.84 Writers Victoria said that it would 'question how [the NPEA] can be a benchmark of excellence if we cannot know what this benchmark is'.⁹⁹

2.85 In its evidence to the committee, the ministry confirmed that the new Catalyst guidelines had revised the NPEA language—based upon 'a template [used] while we were in the Attorney-General's department'—to make clear that all grants would be published in accordance with the Commonwealth Grants Rules and Guidelines.¹⁰⁰

The funding timeline

2.86 Many arts organisations were concerned about the proposed timing arrangements for NPEA funding, which suggested that funds would be allocated on a rolling basis, with applications assessed as they were submitted. One witness noted that a similar system had been tried in the past by Creative Partnerships Australia, but was found to privilege large companies with more resources to dedicate to securing funds, and had since been changed.¹⁰¹ Ms Kathryn Osborne was among many artists who expressed concern that the major organisations 'have more resources and more ability to put their applications in sooner to leverage relationships, and at the moment in the guidelines it seems like it is going to be first come, first served'.¹⁰²

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

98 Ms Merryn Carter, *Committee Hansard*, 5 August 2015, p. 62.

99 Ms Kate Larsen, Director, Writers Victoria, *Committee Hansard*, 5 August 2015, p. 41.

100 Ms Sally Basser, Executive Director, Ministry for the Arts, *Committee Hansard*, 23 November 2015, p. 15. The Commonwealth Grants Rules and Guidelines require that entities must publish information on all grants awarded on their website, subject to certain exemptions available where publication would breach the *Privacy Act* or other statutory or contractual requirements, or where the minister and the Finance Minister deem that publication 'could adversely affect the achievement of government policy outcomes'. Department of Finance, *Commonwealth Grants Rules and Guidelines*, July 2014, p. 14.

101 Ms Amelia Bartak, *Committee Hansard*, 5 August 2015, pp 31-32.

102 Ms Kathryn Osborne, *Committee Hansard*, 1 September 2015, p. 92.

2.87 Performing Lines WA proposed that the NPEA's quarterly funding rounds be capped, so 'that your application is not going to land when there is no money left in the pot'.¹⁰³

2.88 The ministry (speaking about the same arrangements for the Catalyst fund) responded that the 'rolling' model was used in other jurisdictions, citing the example of Arts Queensland, and that feedback provided to the ministry indicated that the approach was supported by stakeholders because it provided them with greater flexibility to submit their applications in line with their own project timelines.¹⁰⁴

2.89 The ministry said that it would manage the process to ensure that allocation of funding was balanced across recipients and throughout the financial year:

Notionally we will spread the funds across quarters where we have said where that funding will be announced. But the notional funding is a broad obvious guide. It does not put in concrete that if there is a particular peak within one quarter then that cannot be met. So, it can be responsive. The idea is that it can be responsive. But it is part of managing the program that not all the money will be spent in the first quarter on a first come first served basis.¹⁰⁵

Bureaucratic duplication (and budgetary confusion)

2.90 Questions were raised in the inquiry about the bureaucratic cost of establishing and managing the NPEA, and the potential loss of funds to administrative duplication between the Australia Council and the NPEA.

2.91 Several witnesses noted that while \$104.7 million was allocated to the NPEA over four years in the 2015 Budget, the NPEA had flagged providing approximately \$20 million per year in grants—suggesting that up to \$24.7 million may be spent on administration of the program.

2.92 The ministry advised a Senate Estimates committee in October 2015, however, that only three additional staff had been employed to manage the NPEA and the other programs returned to the ministry, and that the remainder of the ministry's administration costs for the NPEA would be found from its existing resources.¹⁰⁶

103 Ms Fiona de Garis, *Committee Hansard*, 1 September 2015, p. 16.

104 Ms Sally Basser, Executive Director, Ministry for the Arts, *Committee Hansard*, 23 November 2015, p. 10.

105 Ms Sally Basser, Executive Director, Ministry for the Arts, *Committee Hansard*, 23 November 2015, p. 22.

106 Ms Sally Basser, Executive Director, Ministry for the Arts, Senate Environment and Communications Legislation Committee, *Committee Hansard*, Supplementary Estimates hearing, 20 October 2015, p. 32.

2.93 In its evidence to the committee on 23 November 2015, the ministry clarified that the \$104.7m attributed in the budget papers to the NPEA,¹⁰⁷ and therefore widely reported as such, in fact covered not only the NPEA but also the cost of the three existing arts programs (Visions of Australia, Festivals Australia and Major Festivals Initiative) being moved from the Australia Council to the ministry. The ministry described this as a 'misunderstanding' and said 'the money that is actually in play has only ever been the \$20m per annum' allocated to the NPEA.¹⁰⁸ The ministry reaffirmed that beyond the three additional staff employed to manage the new and returned programs, their costs would be supported from existing resources.¹⁰⁹

2.94 The ministry subsequently advised that the total cost of staffing and overheads for the Catalyst program would be approximately \$850,000 per annum, which was not part of the \$12 million per annum to be made available in grants.¹¹⁰

2.95 The matter of duplication was also raised in relation to the assessment processes for the Australia Council and the NPEA. Noting the NPEA's call for independent assessors, Ms Sue Donnelly of the Queensland Theatre Company observed that:

...something like 800 or 900 people are already registered for peer assessment with the Australia Council. I just put forward the view that there are already quite a lot of people there. Do you need to increase the pool even more? To me, when government talks about streamlining services, it would seem that we are going down a path of duplication of services.¹¹¹

2.96 The ministry advised the committee that while it would develop and maintain its own register of assessors, there was nothing to preclude persons who were assessors for the Australia Council, or the states and territories, also being placed on the ministry's register.¹¹²

2.97 A separate but related concern about bureaucratic duplication related to that faced by organisations, who were now presented with another new and different funding scheme to which applications would need to be prepared, addressing different timeframes, criteria and processes. Many smaller organisations recounted the

107 See Australian Government, *Budget Measures 2015-16—Part 2: Expense measures*, p. 62: 'The Government will provide \$104.7 million over four years to establish a National Programme for Excellence in the Arts, administered by the Ministry for the Arts within the Attorney-General's Department'; and Australian Government, *Portfolio Budget Statements 2015-16, Budget Related Paper No.1.2: Attorney-General's Portfolio*, p. 80.

108 Ms Sally Basser, Executive Director, Ministry for the Arts, *Committee Hansard*, 23 November 2015, p. 6.

109 Ms Sally Basser, Executive Director, Ministry for the Arts, *Committee Hansard*, 23 November 2015, pp 14, 18.

110 Ministry for the Arts, answer to question on notice (Question No.2) from the committee's 23 November 2015 public hearing, received 26 November 2015.

111 Ms Susan Donnelly, *Committee Hansard*, 11 September 2015, p. 64.

112 Ms Sally Basser, Executive Director, Ministry for the Arts, *Committee Hansard*, 23 November 2015, p. 5.

significant proportion of time and effort already spent on grant applications and acquittals across local, state and federal government schemes as well as private sponsorships, and abhorred the prospect of this burden being further increased.

2.98 Ms Amy Barrett-Lennard from the Perth Institute of Contemporary Arts (PICA) provided one example:

Since the budget decision was made, PICA is now required to submit four grant applications to its state and federal funding bodies, each with their own distinct format and set of criteria, instead of the two very much aligned applications that we planned for earlier this year and the one that we have submitted in previous rounds. The duplication of administration that the new NPEA proposes will inevitably eat up money previously used and sorely needed for artistic programs around the country.¹¹³

2.99 Ms Roslyn Dundas, CEO of the Australian Dance Council (Ausdance), drew the committee's attention to a 2010 Productivity Commission report into the not-for-profit sector, observing that at least half of the arts sector operated on a not-for-profit basis, yet the recent funding changes contradicted the Productivity Commission's recommendations that bureaucratic processes be streamlined so as to reduce the administrative burden on not-for-profit organisations.¹¹⁴

2.100 Mr Henry Boston of the WA Chamber of Arts and Culture offered the view that 'the introduction of a new funding program will mean that we have organisations and individuals honing the art of funding application rather than creating art and culture'.¹¹⁵

Could the NPEA be fixed?

2.101 While the majority of witnesses urged that the decision to establish the NPEA be reversed and the funding returned to the Australia Council, in discussion with the committee, various witnesses reflected on the draft NPEA guidelines and identified a number of common issues that could be addressed to improve the program.

2.102 Reforms to the draft NPEA guidelines advocated by witnesses at the committee's hearings included:

- the ability for the NPEA to provide operational support as well as project funding to organisations;
- amendment of the criteria to allow for support to individual artists;
- a more robust system of independent peer review;
- greater clarity about the NPEA's definition of 'excellence';
- longer-term support and certainty enabling organisations to plan and implement programs over multiple financial years;

113 Ms Amy Barrett-Lennard, Director, Perth Institute of Contemporary Arts, *Committee Hansard*, 1 September 2015, p. 62.

114 Ms Roslyn Dundas, *Committee Hansard*, 5 August 2015, p. 32.

115 Mr Henry Boston, *Committee Hansard*, 1 September 2015, p. 1.

- recognition of, and specifically identified support for, diversity in the arts including indigenous arts, arts for children and young people, arts by and for multicultural communities and people with disability;
- support for arts development programs, not just work for audiences; and
- synchronicity with state and territory arts funding programs.

2.103 Having said that, several witnesses did observe that the above changes would largely render the NPEA more or less the same as the Australia Council model, including those support streams lost from the Australia Council to create the NPEA. As such, and given concerns about bureaucratic duplication, there was a sentiment that rather than substantially reform the NPEA's criteria and operations, logic would suggest simply re-instating the Australia Council's funding and strategic plan.

2.104 A few suggested that the NPEA should be complementary to, not duplicative of, the Australia Council's programs. In addition to the NPEA's greater flexibility to fund major works, and its planned emphasis on international touring, complementary approaches suggested for the NPEA included that it specifically seek to address equity between the states and territories in making funding decisions; and that it target not-for-profit organisations.

Funding to the literary sector

2.105 Representatives from the literary sector informed the committee that the recent changes to the funding of the Australia Council, the creation of the NPEA and the Book Council of Australia all had significant impacts on the sector.

2.106 As expressed by others in the arts community, the abrupt nature of these changes and the lack of consultation and transparency had led to uncertainty in the literary sector. Ms Kate Larsen from Writers Victoria commented on the minimal information provided to the industry regarding both the NPEA and the Book Council:

We are concerned about the lack of overall consultation and evidence based policy in informing these changes, about the lack of accountability and transparency in the new program and about the move away from arts funding decisions being made by industry experts through an arm's length peer review process.¹¹⁶

2.107 The availability of funds for the literary sector was another concern expressed by a number of organisations. The Australia Council had \$6 million removed from its budget in December 2014 to establish the Book Council of Australia and at that stage, there was no understanding about whether this money would be utilised to provide grants to authors. However, the Book Council's terms of reference released on 11 September 2015 appeared to make clear that it would not be a funding body.

2.108 Ms Sarah Tooth from the SA Writers Centre said that this made apparent that the '\$6 million of arts funding [is] going to fund an industry body...there are no funds

116 Ms Kate Larsen, *Committee Hansard*, 5 August 2015, p. 36.

available through that organisation. So none of that money will go to artists or art forms'.¹¹⁷

2.109 Other sources of funds for the literary sector, as with other sectors, were meanwhile restricted with the government's reduction of funding to the Australia Council to establish the NPEA, which meant that like other artists, writers would be competing for a smaller pool of available funding from the Australia Council's grants schemes. Writers Victoria said that 'the literature section of the Australia Council already has one of the smallest pools of available funding' and:

[t]he NPEA will distribute less money than was cut from the Australia Council funding budget, and literature is not listed as an eligible art form within the draft guidelines...the NPEA will not fund individuals, but the Australia Council cuts will come from funds previously allocated to individual practitioners, groups and literary journals.¹¹⁸

2.110 Writers Victoria commented on how these changes may jeopardise the future of the industry:

When you consider that the vast majority of our sector are independent one-person writing businesses who operate completely in isolation in most cases, the Australian Council funding is going to be significantly limited and they will be excluded on two counts from the new NPEA...we are at incredible risk of losing an entire generation of people who are just unable to participate in their art form at all.¹¹⁹

2.111 The Queensland Writers Centre (QWC) told the committee that the average income of an Australian author was estimated at \$11,000 per annum in 2011.¹²⁰

2.112 Ms Lisa Dempster from the Melbourne Writers Festival added that:

[i]n addition to individual writers being impacted by not receiving grants to help them write, research and cover their living costs while they are doing those things, impacts on the small to medium literature sector will also affect artists' ability to do their work. A lot of artists rely on festival appearances... to make a living, as well as running workshops and things like that. If festivals, writers centres et cetera are not able to continue to deliver those opportunities, their ability to live and work as artists will be greatly reduced.¹²¹

2.113 Another difficulty facing the literary sector was the problem of quantifying its successes and reach into the community. Peril Magazine said:

I think that literature in general does not lend itself well to how many people attend to your art event, how can we demonstrate that it is popular

117 Ms Sarah Tooth, *Committee Hansard*, 18 September 2015, p. 47.

118 Ms Kate Larsen, *Committee Hansard*, 5 August 2015, p. 36.

119 Ms Kate Larsen, *Committee Hansard*, 5 August 2015, p. 39.

120 Ms Katie Woods, *Committee Hansard*, 11 September 2015, p. 9.

121 Ms Lisa Dempster, *Committee Hansard*, 5 August 2015, p. 39.

and therefore worthy of additional government support, because the legacy of the book or the printed word takes a little bit of time to realise—100 people do not come and read it all at one time.¹²²

2.114 The committee also heard that these changes would be likely to have a more profound impact on literary groups from Australia's rural and multicultural communities. Fremantle Press and writingWA commented on the 'tyranny of distance' faced by the literary sectors in Western Australia and Queensland. Fremantle Press said:

...we really do struggle with that. It is not just freighting books backwards and forwards but also that trying to get authors to go on tour is incredibly expensive for us. We cannot just pop them up to Sydney for a day and then back, or get to festivals or to network. It is very expensive...¹²³

2.115 The Tasmanian Writers Centre commented on how the changes would impact on that state:

We are a small state. We only have a population of 500,000. We are not Sydney or Melbourne. The irony is that Brandis has said that funding is far too Sydney/Melbourne-centric, when in fact it is actually becoming more narrow by channelling it into the ministry for the arts. This way, we know that there is regional funding, we know that there is diversity in the way that the Australia Council disperses its funds and we know we can go to them and express our concerns. Because we are regional, we stand to be far more disadvantaged and we have far more small companies. We have a very rich, energetic and vibrant arts scene, but we are all individual and small companies. We are not large companies.¹²⁴

2.116 A further concern was raised by the Queensland Writers Centre regarding the draft guidelines of the NPEA and its focus on national outcomes. Ms Woods said 'whilst we might engage in other states, our core commitment as a state-based writers centre is to Queensland, so it is difficult for us to articulate national outcomes for a project that we might deliver in Cairns or Mount Isa'.¹²⁵

2.117 Multicultural literary groups also expressed concerns about the limited access to funding. Mascara Literary Review said that:

The differences of culture, race and languages are not being readily absorbed, marketed or branded into mainstream industry categories. In part, this may be because very few migrant writers are appointed to paid positions within the scholarly, judging, editing, administration or curation fields of the literary arts. This places unfair limitations on what they can hope to achieve in comparison to other Australians. Although culturally diverse newcomers are a statistically significant group of Australians, they

122 Ms Eleanor Jackson, *Committee Hansard*, 4 November 2015, p. 25.

123 Ms Jane Fraser, *Committee Hansard*, 1 September 2015, p. 56. See also Emeritus Professor Dennis Haskell, *Committee Hansard*, 1 September 2015, p. 56.

124 Ms Christine Gallagher, *Committee Hansard*, 3 September 2015, p. 5.

125 Ms Katie Woods, *Committee Hansard*, 11 September 2015, p. 10.

do not enjoy the privilege of deeply established networks, historic legacies or institutional support. Our submission is to request that attention be focused urgently on sustainable strategies and initiatives which will secure the enduring participation of migrants to this country's cultural narrative in the same way that peak organisations have adopted strategies for Aboriginal, disabled and regional writing communities. We identify the group we represent as being amongst the most vulnerable to the new business and funding models as a result of the Commonwealth budget decisions.¹²⁶

The Book Council of Australia

2.118 It was difficult for the committee to obtain evidence on stakeholders' views about the newly-announced Book Council of Australia, chiefly because of the lack of information available about the Book Council for many months after it was announced by the government in December 2014. It was not until September 2015 that information was publicly released on the Book Council's composition and terms of reference.

2.119 Despite this, the committee was told that those months were not used for effective consultation with the literary sector. The SA Writers Centre said:

[W]e just seem to be spending all our time trying to find things out at the moment in this sector to work out what is going on. That is the exhausting part. There has been no consultation. We have all tried very, very hard in literature organisations—as individual writers and artists—to find out information about the Book Council, and we could not find out anything. The terms of reference have just come out...but I would like to underline our distress at the lack of consultation in developing those guidelines.¹²⁷

2.120 Further criticism was offered by Mr Sam Twyford-Moore from the Open Book Council:

The [Book Council] had been formed and began operating without any reasonable sense of urgency, timeliness or consultation. I simply would not be sitting here today if that were the case. Indeed, Ms Adler and Senator Brandis both failed to announce any detail of the Book Council until 10 months following its announcement. As the former director and CEO of a small arts organisation, the Emerging Writers' Festival, which demonstrates national artistic excellence, I can tell you that I would never be afforded the luxury of 10 months of inaction on that scale. Inaction and, indeed, such lack of transparency and public consultation, such as that demonstrated by Senator Brandis, would have seen me fired within a matter of months. The cultural and critical mismanagement of these unspent funds—and, indeed, we are still waiting to hear from the current arts minister on the state of the BCA and these moneys—is of a scale that I am not sure I have ever witnessed before in my young career.¹²⁸

126 Dr Michelle Cahill, *Committee Hansard*, 4 November 2015, pp 18–19.

127 Ms Sarah Tooth, *Committee Hansard*, 18 September 2015, p. 46.

128 Mr Sam Twyford-Moore, *Committee Hansard*, 5 November 2015, p. 3.

2.121 Dr Angelo Loukakis from the Australian Society of Authors commented that the Book Council was a 'perfectly sensible idea', but the Society was critical of the government's approach:

The book council was originally conceived under the Book Industry Strategy Group as a means of serving the needs of all the participants in the book scene, everyone from the creator to the reader. The current version, proposed on the basis of taking \$6 million from the Australia Council for its establishment, has been stalled and challenged ever since it was announced. Poor preparation and ill-informed, top-down decision making has led to confusion and uncertainty over structure, representation, accountability and other matters. These interventions have all been made as if there were no experience anywhere else to draw on, no research available nor any real work to be done on the wider consensus needing to be achieved in establishing new funding and other initiatives.¹²⁹

2.122 Prior to the release of the terms of reference, the committee did receive a number of positive comments on the concept of a Book Council. For example Professor Dennis Haskell said that 'literature should be part of a separate kind of fund that involved writers groups, libraries and so on, that could be a very good thing. We have a lot of different issues to performing arts and other art forms. If the national book council does lots of good things and does not just do the high-end...then we might not have to worry about the NPEA excluding individuals'.¹³⁰

2.123 Mr Ian Lilburne from Fremantle Press said that his organisation was 'very supportive of the whole notion of the book council' and that:

[The Book Council] looks at industry-wide, high-level issues that are important and need to be addressed, and it is wonderful that there is that initiative. However, where it becomes difficult for us is that it does not address the other needs that we have as an organisation that nurtures writers at a grassroots level. That is the area that is not covered.¹³¹

Screen Australia

2.124 Addressing the committee, Mr Graeme Mason from Screen Australia summarised the impact of the 2014 and 2015 Budget decisions on that organisation:

Screen Australia will receive \$88.7 million from the government in 2015-16 and will provide \$80.3 million to the sector through programs. We generate about \$8.8 million ourselves, so our programs account for approximately 82 per cent of our total income. Next year our appropriation will fall to \$86 million. The year after, it will drop a further \$2 million to \$84 million. As the appropriation was \$100 million in 2013-14, this represents a drop of 16 per cent over four years.¹³²

129 Dr Angelo Loukakis, *Committee Hansard*, 5 November 2015, p. 2.

130 Emeritus Professor Dennis Haskell, *Committee Hansard*, 1 September 2015, p. 53.

131 Mr Ian Lilburne, *Committee Hansard*, 1 September 2015, p. 52.

132 Mr Graeme Mason, *Committee Hansard*, 5 November 2015, p. 50.

2.125 Mr Mason informed the committee that these cuts had largely been absorbed by reductions in the operating costs of Screen Australia, mostly through staff reductions:

Since its formation in 2008, Screen Australia has cut some 44 per cent from these costs—a reduction from \$32 million to \$17 million. Our headcount has declined by some 48 per cent, from 189 to 98. There is now little left to cut from this area. That being the case, any future cuts to Screen Australia's budget will inevitably come from its program areas...¹³³

2.126 However, Mr Mason stated that Screen Australia had 'very little room to continue to make operations savings' especially in light of a further cut of \$910,000 per annum over the forward estimates. Screen Australia estimated that each \$1 million cut to its budget, if averaged across its program areas, would result in a reduction in production expenditure of approximately \$5 million.¹³⁴

2.127 While Screen Australia had not been directly impacted by the establishment of the NPEA, Mr Mason observed that 'there could be spillover...writers, directors and content creators are porous'.¹³⁵

2.128 As a consequence of Screen Australia's budget cuts, funding was reduced to the state-based Screen Resource Organisations (SRO) across the country. The committee heard from Ms Christina Alvarez, the CEO of NSW SRO Metro Screen, that it would close due to the budget measures:

When the Screen Australia budget cuts were made in May 2014, without any consultation, without the evidence based research that was needed, Screen Australia passed on those cuts to the screen industry, three months later. We were given 12 months to try and find a solution. When I say 'we', I mean screen resource organisations. There is one in each state. We are the only organisations that service emerging filmmakers. So we were given 12 months to find new income. That \$240,000 that my organisation got was the glue that held it together. We sourced the other 85 per cent of our income through a variety of activities, but that was the glue that held it together. Within 12 months we could not find replacements, so we had to look at our solvency. We will close at the end of this year.¹³⁶

2.129 Wide Angle Tasmania discussed the effect of the funding cut it had received:

That cut in funding to Wide Angle has a disproportionate impact in this state compared to other states. The other states at the time already received triple the funding that Wide Angle Tasmania did from Screen Australia. The funding from Screen Australia was always matched by the state agencies in those states, so they already had a far larger quantum of money to work with. Even with the cut, they had sufficient funds to maintain some

133 Mr Graeme Mason, *Committee Hansard*, 5 November 2015, p. 50.

134 Mr Graeme Mason, *Committee Hansard*, 5 November 2015, p. 50.

135 Mr Graeme Mason, *Committee Hansard*, 5 November 2015, p. 52.

136 Ms Christina Alvarez, *Committee Hansard*, 5 November 2015, p. 20.

sort of organisation and some sort of activity. The impact on Wide Angle, though, is effectively much greater because it is a threshold equation. It pushes us below a funding level where the organisation can even open its doors. That is despite the fact that, over the 10 years that Wide Angle has operated, we have grown the self-generated funding through equipment hire, other activities and membership to about one third of our funding. We have significantly tried to stand on our own two feet in a difficult market and in a difficult economy.¹³⁷

2.130 The committee was informed that Wide Angle Tasmania would be closing in June 2016.¹³⁸ In addition, the SRO in Queensland had already closed and for these reasons, 'within 12 months, 50 per cent of emerging filmmaker support in Australia [has] gone'.¹³⁹

2.131 In response to the closure of the SROs in Tasmania, New South Wales and Queensland, Mr Mason said that Screen Australia's:

priority role is to fund content to be made on screen. That caused some very hard decisions, including, as you note, de-funding the SROs...We have continued to have conversations with Wide Angle and with other SROs round the country. Particularly we continue very close relationships with the state government agencies to work out how we can help there.¹⁴⁰

2.132 In Tasmania's case, the demise of the SRO was the latest in what Wide Angle described as 'a series of blows' to the state's screen infrastructure, with the closure of Hobart's Australian Film, Television and Radio School in 2011, the 'ABC production unit has gone...There is no Screen Australia office here. There are no television networks here. There are no commissioning editors for television networks here. There are no major distributors based here. There is not even a community television channel'.¹⁴¹

2.133 Additionally, Wide Angle Tasmania commented that:

Screen Australia's increased focus under this government on screen businesses and the development of screen businesses rather than the development of talent and projects means that small places like Tasmania are very disadvantaged. Much of the funding available through Screen Australia has now gone into something called an enterprise program which, in the five years since it was established to 2014, delivered \$19½ million to 29 Australian screen businesses. Only one of those was in Tasmania. There is currently no Tasmanian production company in receipt of enterprise

137 Mr Antonio De Casare, *Committee Hansard*, 3 September 2015 ,p. 43.

138 Ms Christina Alvarez, *Committee Hansard*, 5 November 2015, p. 20.

139 Ms Christina Alvarez, *Committee Hansard*, 5 November 2015, p. 20.

140 Mr Graeme Mason, *Committee Hansard*, 5 November 2015, p. 51.

141 Mr Antonio De Casare, *Committee Hansard*, 3 September 2015 ,p. 47.

moneys, which is one of the vital ways in which Screen Australia is currently supporting the industry.¹⁴²

2.134 The Media, Entertainment and Arts Alliance (MEAA) commented that Australia's screen industry was at the end of its 'golden age'. Citing Screen Australia's Drama Report, Ms Zoe Angus said:

Overall expenditure is the same this year as it was last year, but what is propping up that overall expenditure is foreign activity. Basically *Pirates* and *Lego*—the two Lego movies—have propped up the maintenance of expenditure. That hides a significant slump in domestic production: a 13 per cent—but on television adult drama 20 per cent—reduction in expenditure, which brings us back to levels below those of that golden age. Our key issue of concern that we want to put to you is that that slump in domestic production marks the beginning of the impact of the cuts to public broadcasting. The ABC has taken the lion's share of that golden age of commissioning of drama. Now we are seeing the first year of the impact of the cuts to public broadcasting and to Screen Australia, and in subsequent years from now on we will see that bite occurring. That is a concern for us and a concern for artistic and career opportunities for Australian performers as well.¹⁴³

2.135 Ms Angus added that the result of these cuts would be consumers seeing less Australian content:

Screen is such a pervasive art form. I would submit to you that, for our sense of cultural identity and integrity and cohesion, it is essential that Australian stories are told on our screens. It is also particularly important that the dire straits for our children's television production is addressed and adequately funded, because not only is that about Australian kids growing up with Australian accents and stories but it is also about the next generation of Australian society being enriched with Australian culture at the outset.¹⁴⁴

Games

2.136 The committee's attention was drawn to the specific exclusion of 'interactive games' from support under the NPEA. ANAT said that gaming was an area that tended to 'fall through the cracks' in terms of government support: it had been eligible for funding from programs of both Screen Australia and the Australia Council up to now, but funding cuts to both bodies had eroded the possibility of ongoing support from either.¹⁴⁵

2.137 Professor Nikos Papastergiadis stated that in terms of economics, gaming was more significant than all other sectors of the arts put together.¹⁴⁶ Professor Ted Snell

142 Ms Sharon Connolly, *Committee Hansard*, 3 September 2015, p. 44.

143 Ms Zoe Angus, *Committee Hansard*, 5 November 2015, p. 24.

144 Ms Zoe Angus, *Committee Hansard*, 5 November 2015, p. 30.

145 Ms Vicki Sowry, *Committee Hansard*, 18 September 2015, p. 36.

146 *Committee Hansard*, 5 August 2015, p. 58.

noted that gaming was a particularly specialised area and suggested that it may be considered as commercial innovation rather than arts *per se*, with funding sources identified elsewhere within government.¹⁴⁷

2.138 On the other hand Regional Arts Victoria provided the committee with a compelling example of the work of one gaming artist, 'Dave', in the rural community of Natinuk:

Dave has developed at a very high level quite an adventurous and maverick arts practice. He is a mountain climber, but he also works with old and new technologies to create objects and interactive games that bring high and low technology together. He was the very lucky recipient of an Australia Council \$100,000 fellowship a few years back. That initiative is jeopardised and probably will not continue. Can you imagine the impact on a small town that that kind of money for one passionate, creative leader has? He has developed projects such as *The Thing*, which is, if you can imagine, a great big rusted old boiler that you jump on and cycle and then it projects images into the sky. There is another work, which is like a bike that you jump on and ride, that is for kids—although I should say it is for adults too; I have had a great go and it is wonderful. You put a virtual reality helmet on and you play a game as though you are herding sheep. Natinuk, thanks to Dave's and other's leadership, also won one of the Small Town Transformations grants that my organisation runs. He has helped to contribute to the re-imagining of what is possible for the future of the entirety of Natinuk, based on the support that he as an individual has received through the Australia Council and through other means to propel that work further.

The work of the individual artists in developing games is not just for the sit-behind-your-keyboard kind of thing. Games are much, much broader. There is a literary aspect. There is a narrative aspect. There is a whole range of opportunities that Dave, through his passion and expertise and through competitive means, has been able to win which would not be possible in the future under the new scenario. That is just one story.¹⁴⁸

2.139 Screen Australia spoke to the committee about the termination of its Australian Interactive Games Fund in the 2014 Budget, a year earlier than planned:

There was previously funding from the government directly for games funding. It was a three-year fund and it was wound up one year early. As I said, in the last year it had \$10 million of appropriation, which was taken back. In that instance we closed the program. We are still looking after those who had previously come through in those first two years. We will honour that and keep running them through. We are covering the overhead and the responsibilities there. But we have just closed any future applications to it.

147 Professor Ted Snell, *Committee Hansard*, 1 September 2015, p. 70.

148 Ms Esther Anatolitis, Chief Executive Officer, Regional Arts Victoria, *Committee Hansard*, 5 August 2015, p. 15.

...

Given the priority as articulated in the 2013-14 budget was not to fund interactive games, and given our funding cuts, we have focused on narrative storytelling across film, television and online. We are not in the business of funding games these days.¹⁴⁹

149 Mr Mason, *Committee Hansard*, 5 November 2015, p. 51–52.

