



From the office of the Chair

21 July 2015

Sophie Dunstone  
Committee Secretary  
Senate Legal and Constitutional Affairs References Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600  
Sent by email: [legcon.sen@aph.gov.au](mailto:legcon.sen@aph.gov.au)

Dear Ms Dunstone

### **Inquiry into the impact of the 2014 and 2015 Commonwealth budget decisions on the arts**

I am writing in response to your letter dated 30 June 2015 inviting the Australia Council for the Arts (the Australia Council) to provide a submission addressing the terms of reference for the Inquiry into the impact of the 2014 and 2015 Commonwealth budget decisions on the arts (the Inquiry).

The Australia Council is the Australian Government's principal arts funding and advisory body. The Australia Council has a national leadership role in supporting and building Australia's arts sector by fostering excellence and diversity in the arts, and increasing national and international engagement with Australian art and artists. Our Board, Chairs of Arts Practice, Strategy Panels, Executive and staff have significant national and international sector expertise and a wealth of arts practice knowledge.

As a statutory authority of the Commonwealth Government it would not be appropriate for the Australia Council to comment on matters of policy. In light of this we have not addressed the terms of reference as a whole, but hope to inform the Inquiry by providing a factual overview of the Australia Council's annual budget and expenditure over a four year period, for the financial years 2012-13 to 2015-16.

The enclosed submission outlines the Australia Council's actual annual income and expenditure for 2012-13 and 2013-14, along with forecast income and expenditure for 2014-15 and 2015-16. The submission provides a breakdown of the Council's programs and activities in these years, including:

- the Major Performing Arts (MPA) framework, which administers core funding to 28 MPA companies on behalf of the Australian and state governments;
- Government initiatives, which administer directed Australian Government funding for a range of activities; and

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- remaining funds through which the Council delivers a peer assessed grants program, including multi-year core funding for arts organisations; strategic projects and initiatives to support artists and arts organisations; sector capacity building programs; arts research; and
- operating and program delivery expenses.

For ease of reference, we have included links to our annual reports for 2013-14 and 2012-13, press releases relating to the Council's recent activities and the 2015-16 Budget announcement, as well as the Council's Strategic Plan for 2014 to 2019: *A Culturally Ambitious Nation*.

### **The 2014-15 and 2015-16 Budgets**

The 2014-15 Budget measure *Arts programmes – reduced funding*, applied an annual reduction of \$6 million to the Australia Council's appropriation over the forward estimates and an additional reduction of \$3.6 million in 2014-15.

2015-16 Budget measures relating to the Australia Council include:

- the redirection of \$110 million over four years from the Australia Council's appropriation to support the establishment of the National Programme for Excellence in the Arts, Creative Partnerships Australia's matched funding program, and the transfer of the Visions of Australia and Festivals of Australia programs and the Major Festivals Initiative, to the Ministry for the Arts;
- a \$7.3 million budget efficiency measure over four years from the Australia Council's appropriation, which is delivered through a reduction in funding for the ArtStart, Capacity Building and Artists in Residence programs; and
- a \$6 million budget measure directed over three years towards the establishment of the Book Council of Australia.

The Australia Council is working with the Ministry for the Arts and Creative Partnerships Australia throughout the transition to the new funding framework and we will endeavour to make our respective programs support the arts sector in a complementary way.

On 21 May 2015 we announced the following changes to our programs in light of these budget measures:

- the Australia Council's June grants round, including government programs, will not proceed;
- the Six Year Funding for Organisations program has been suspended; and
- the ArtStart, Creative Communities Partnerships Initiative and Artists in Residence programs have been discontinued.

We remain committed to delivering the best possible outcomes for the sector and to deliver on the Council's legislative mandate under the *Australia Council Act 2013*. The Australia Council is currently preparing a revised Corporate Plan to reflect the Council's future programs within the new funding framework. The revised Corporate Plan is slated to be released in late August 2015.

## **The Australia Council's Strategic Plan and new grants model**

On 18 August 2014, the Australia Council's Strategic Plan for 2014 to 2019 was launched, along with the Council's new streamlined and more accessible grants model. The new strategy was supported by a four year Corporate Plan which was endorsed by the Minister for the Arts.

The Strategic Plan is underpinned by the updated legislative functions in the *Australia Council Act 2013* and informed by the 2012 Review of the Australia Council and sustained consultation with the arts sector. The Australia Council's vision is for a 'culturally ambitious nation' and its purpose is 'to champion and invest in Australian arts'. This is to be achieved through four strategic goals:

- Australian arts are without borders
- Australia is known for its great art and artists
- The arts enrich daily life for all
- Australians cherish Aboriginal and Torres Strait Islander arts and culture

These goals are intersecting, aspirational statements that set the direction for the work of the Australia Council over the next five years, which includes:

- Embracing our role as a national advocate for the arts and effectively drawing on our comprehensive knowledge and research to provide evidence of the value proposition of the arts to the nation;
- Managing and supporting Government programs and frameworks, including the Major Performing Arts and the Visual Arts and Craft frameworks;
- Delivering a transparent peer assessed grants program for small and medium sized arts companies, individuals and groups, utilising a national pool of expert peers; and
- Leveraging partnerships to advance the growth and capability of the arts sector, and to ensure that the resources with which we are entrusted are maximised in pursuit of our goals.

The Australia Council remains committed to the goals outlined in the Strategic Plan and will soon be announcing a restructured suite of programs designed to deliver under those goals, within the new budget context.

I trust that this submission will provide relevant background for the Inquiry, and should the Committee require further information please don't hesitate to contact myself or the CEO of the Australia Council, Mr Tony Grybowski.

Yours sincerely,

Rupert Myer AO  
Chair



**Submission in response to the Inquiry into the impact of the  
2014 and 2015 Commonwealth Budget decisions on the Arts**

**July 2015**

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## Summary

The following submission responds to a letter dated 30 June 2015 from the Senate Legal and Constitutional Affairs References Committee inviting the Australia Council for the Arts (the Australia Council) to provide a submission addressing the terms of reference for the Inquiry into the impact of the 2014 and 2015 Commonwealth budget decisions on the arts. As a statutory authority of the Commonwealth Government it would not be appropriate for the Australia Council to comment on matters of policy. In light of this we have not addressed the terms of reference as a whole, but hope to inform the Inquiry by providing a factual overview of the Australia Council's annual budget and expenditure over a four year period, for the financial years 2012-13 to 2015-16.

The submission is divided into three sections:

1. Australia Council annual income and expenditure 2012-13 to 2015-16
2. Summary of 2014-15 and 2015-16 Budget Measures
3. Australia Council annual expenditure 2012-13 to 2015-16

**Section 1** provides an overview of the sources of Australia Council income from 2012-13 to 2015-16, including the Council's annual appropriation. This section also outlines the categories of Australia Council expenditure in these years, which include: *Support for Major Performing Arts companies*, administered on behalf of the Australian and state governments; *Government Initiatives*, which are funds administered on behalf of the Australian Government for a range of activities; *Operating and Program Delivery Expenses*; and *Remaining Funds*. The *Remaining Funds* category includes: peer assessed Australia Council grants and multi-year funding for small-to-medium arts organisations; capacity building; strategic projects; international and national development (including market and audience development); research, analysis and data collection.

The 2012-13 *Support for Major Performing Arts companies* category of expenditure was \$100.5 million, as compared to \$107.7 million forecast for 2015-16.

The 2012-13 *Government Initiatives* category of expenditure was \$20.7 million, as compared to \$14.8 million forecast for 2015-16.

The 2012-13 *Operating and Program Delivery Expenses* category of expenditure was \$23.8 million and is forecast at the same level for 2015-16.

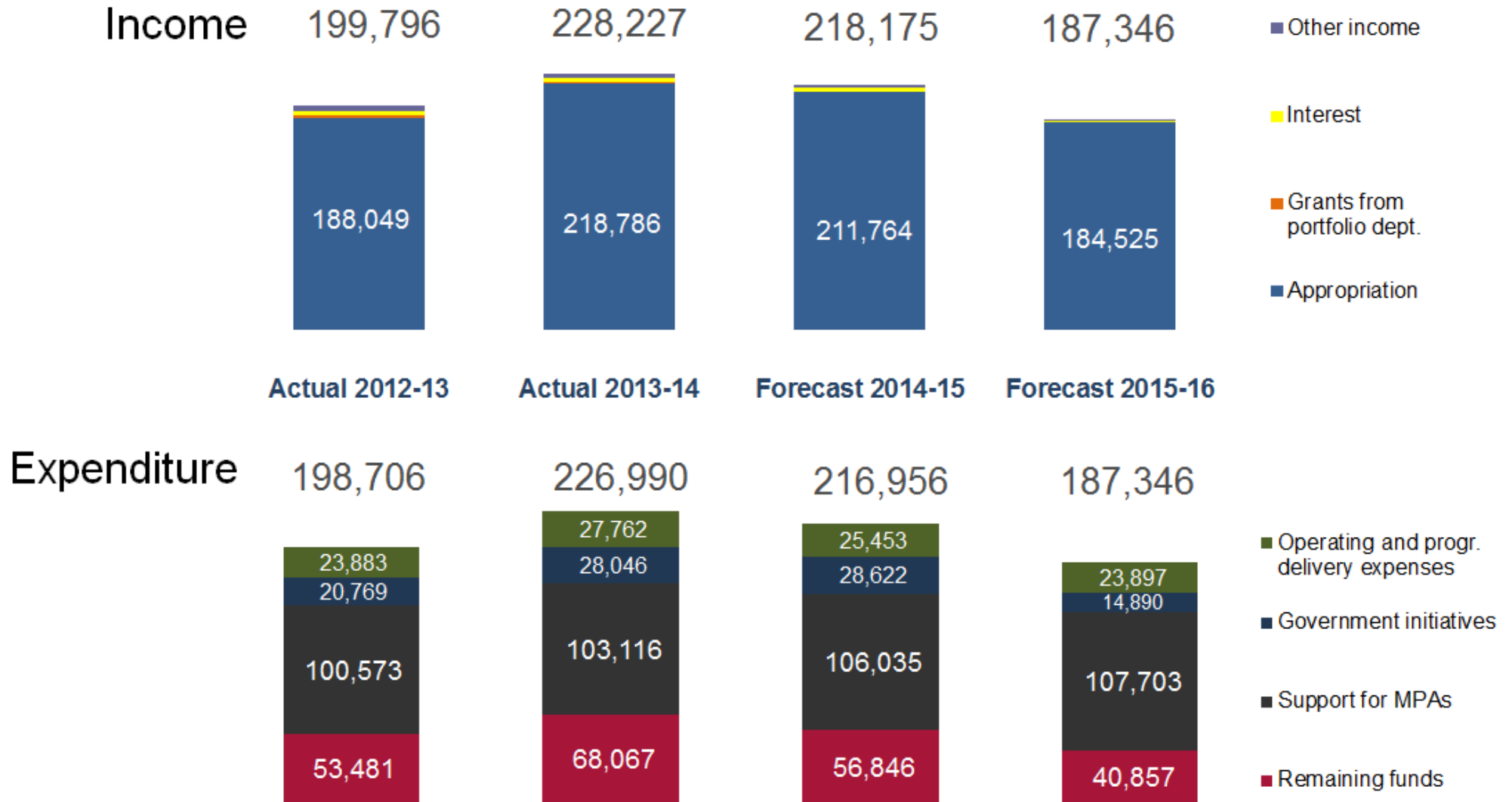
The 2012-13 *Remaining Funds* category of Australia Council expenditure was \$53.4 million, as compared to \$40.8 million forecast for 2015-16.

**Section 2** provides a brief summary of the impact of the 2014-15 and 2015-16 Budget measures. This section shows the Council's 2014-15 appropriation was \$211.7 million, as compared to \$184.5 million in 2015-16, representing a 13% reduction in the Council's appropriation following the 2015-16 Budget measures. This represents a total reduction in the Australia Council's appropriation of approximately \$34.2 million including indexation (or \$41 million excluding indexation) when the 2014-15 and 2015-16 Budget measures are combined.

**Section 3** provides a more detailed breakdown of the Australia Council's expenditure from 2012-13 to 2015-16. This section includes an overview of the key activities supported through each category of expenditure, all designed to deliver against the Council's legislative functions and Strategic Plan goals. These include a range of *Government Initiatives* and critical components of the *Remaining Funds* category, such as *Australia Council Grants and Initiatives* and multi-year funding for small-to-medium organisations. This section also outlines the changes in annual expenditure for these programs from 2012-13 to 2015-16, reflecting changes in the Australia Council's annual appropriation.

**SECTION 1: OVERVIEW OF AUSTRALIA COUNCIL ANNUAL INCOME AND EXPENDITURE 2012-13 to 2015-16**

Figure 1.0 Overview of Australia Council annual income and expenditure 2012-13 to 2015-16 (\$ '000s)



Note: *Remaining Funds* includes Australia Council grants program, Key Organisation funding, capacity building, strategic projects, international and national development, and research.

## Figure 1.0 Explanatory Notes: Overview of Australia Council annual income and expenditure 2012-13 to 2015-16

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The Australia Council's **annual income** includes:

1. Revenue from Government as per the Portfolio Budget Statements (PBS) including:

- Total appropriation; and
- Amounts from the portfolio department, to administer specific contracts, such as Sounds Australia.

2. Interest income

3. Other income, including from returned grants and philanthropic support for the Venice Biennale and Venice Pavilion

The Australia Council's **expenditure** falls into four broad categories:

- Managing and supporting the Major Performing Arts companies (MPAs). Funding administered on behalf of the Australian and state governments.
- Government Initiatives, which administer directed Australian Government funding for a range of activities, including Visual Arts and Craft Strategy (VACS) and the National Regional (Touring) Programs.
- Remaining Funds, which support the peer assessed Australia Council grants program, including multi-year core funding for small-to-medium arts organisations\*, strategic projects and initiatives to support artists and arts organisations; national and international development (including market and audience development); sector capacity building programs; and arts research, analysis and data collection.
- Operating and program delivery expenses

Further detail about these categories is outlined in Figure 3.0.

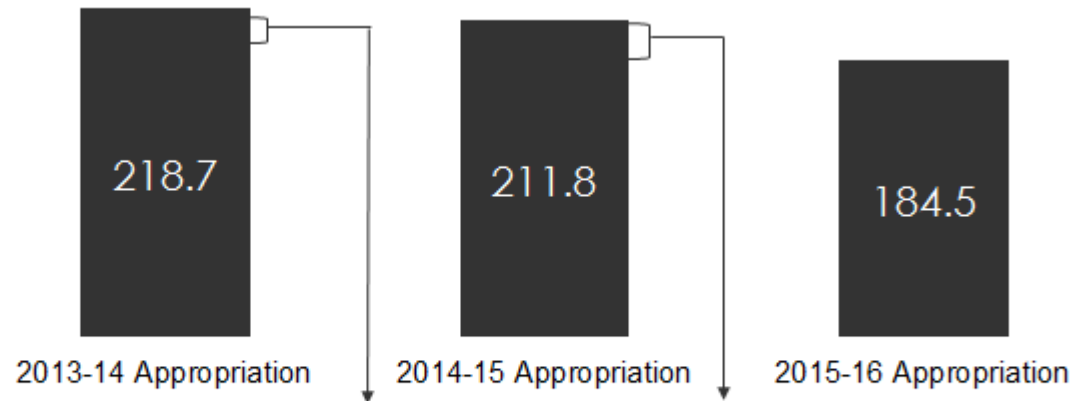
\* Prior to the new Australia Council grants program, which opened in January 2015, multi-year core funding for small-to-medium arts organisations was referred to as Key Organisation funding. Current Key Organisations will have their existing contracts honoured, providing funding until the end of 2016. Key Organisation funding was to be replaced by the Six Year funding category within the new Australia Council grants model. Following the 2015-16 Budget measures this funding category was suspended, and is to be replaced by a reduced version of regular funding for organisations.

Note: this includes actual annual income and expenditure for 2012-13 and 2013-14, along with forecast income and expenditure for 2014-15 and 2015-16. Figures are referred to as 'forecast' until they are audited and published in the Council's annual report.



## SECTION 2: SUMMARY OF 2014-15 AND 2015-16 BUDGET MEASURES

Figure 2.0 Summary of 2014-15 and 2015-16 Budget Measures (\$ millions)



|   | 2014-15<br>\$m | 2015-16<br>\$m | Total 2<br>years<br>\$m |
|---|----------------|----------------|-------------------------|
| <b>Total impact</b>   | -6.9           | -27.3          | -34.2                   |
| National Program for Excellence in the Arts - establishment | -              | -27.7          | -27.7                   |
| Arts programmes – reduced funding                           | -9.6           | 3.6            | -6.0                    |
| Art & Cultural programs - efficiencies                      | -              | -1.8           | -1.8                    |
| Establishment of Book Council of Australia                  | -              | -2.0           | -2.0                    |
| Temporary increase in Efficiency Dividend                   | -1.2           | -2.7           | -3.9                    |
| Indexation  | 3.9            | 3.3            | 7.2                     |

## Figure 2.0 Explanatory Notes: Summary of 2014-15 and 2015-16 Budget Measures

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### 2014-15 Budget

- The 2014-15 Budget Measure, *Arts programmes – reduced funding*, reduced the Australia Council's appropriation by approximately \$6 million each year over the forward estimates with an additional **\$3.6 million** reduction in 2014-15.
- The total budget reduction for 2014-15 was **\$9.6 million**.
- The impact of this reduction was on Australia Council Grants and Initiatives.
- The temporary increases in the Efficiency Dividend reduced the Council's appropriation by a further **\$1.2 million in 2014-15** and **\$2.7 million in 2015-16**.

### 2015-16 Budget

- The total reduction to the Australia Council appropriation in 2015-16 is \$31.5 million. This is resulting from the three 2015-16 measures:

**Budget measure: *National Programme for Excellence in the Arts – establishment***

A reduction of **\$27.7 million** including the transfer of funds to the Ministry for the Arts for the establishment of the *National Programme for Excellence in the Arts* and the transfer of Festivals Australia, Visions of Australia and the Major Festivals Initiative to be administered by the Ministry for the Arts. This reduction also provides funding for Creative Partnerships Australia's matched funding programme.

**Budget measure: *Arts and Cultural Programmes – efficiencies***

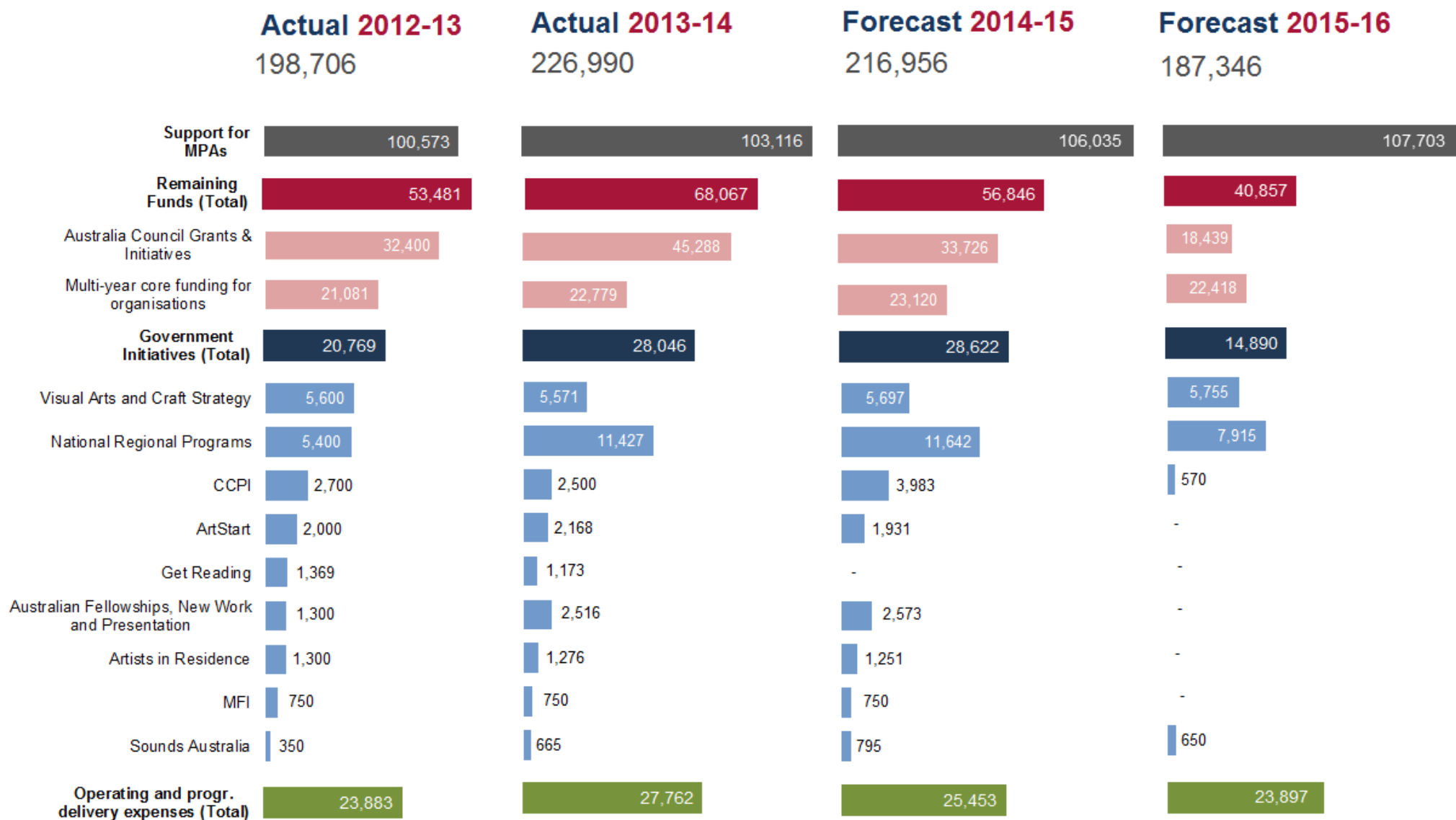
A reduction of **\$1.8 million** applied to ArtStart, the Capacity Building Program and the Artists in Residence Program.

**MYEFO measure: *Establishment of the Book Council of Australia***

A reduction of **\$2.0 million** for the transfer of funds to the Ministry for the Arts for the establishment of the Book Council of Australia was announced in the Mid-Year Economic and Fiscal Outlook in December 2014.

## SECTION 3: AUSTRALIA COUNCIL ANNUAL EXPENDITURE 2012-13 to 2015-16

Figure 3.0 Australia Council annual expenditure 2012-13 to 2015-16 (\$ '000s)



Note: *Remaining Funds* includes Australia Council grants program, Key Organisation funding, capacity building, strategic projects, international and national development, and research.

## Figure 3.0 Explanatory Notes: Breakdown of Australia Council annual expenditure 2012-13 to 2015-16

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### Support for Major Performing Arts companies (MPA)

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

The Australia Council executive and staff closely monitor each MPA company against its agreed outcomes and performance indicators, which are reviewed annually with all government partners and input from the MPA Panel. The Board of the Australia Council has established an MPA Panel to assist with overseeing the MPA framework and to provide advice on specific company and sector issues. The Australia Council considers the MPA results in a broader context of support to other areas of the arts sector nationally. This overview and strategic understanding is critical to the health of each area of arts practice in Australia.

At the meeting of the then Cultural Ministers Council (CMC) in August 2000, Arts and Cultural Ministers agreed on the recommendations made in the Major Performing Arts Inquiry Final Report: *Securing the Future*. This included a commitment to maintaining a shared funding model through the MPA Policy, which was implemented in 2001. In August 2011 at the Meeting of Cultural Ministers (MCM), a revised MPA Framework was endorsed, with implementation occurring in 2012.

## Government Initiatives

Government initiatives are programs administered by the Australia Council on behalf of the Ministry for the Arts. Three Government initiatives will continue to be administered by the Australia Council in 2015-16, three programs are being transferred to the Ministry for the Arts following the 2015-16 Budget measures, and five initiatives have been discontinued or will cease as of 2015-16.

### CONTINUING PROGRAMS

#### Visual Arts and Craft Strategy

The Visual Arts and Craft Strategy (VACS) is a formal agreement between the Commonwealth, State and Territory Governments to provide directed funding for individual artists, arts and craft organisations, arts events and artist run initiatives. A new framework for VACS was agreed at the Meeting of Cultural Ministers (MCM) in October 2014, for implementation during 2015-16. The refreshed strategy provides a commitment to support contemporary visual artists and arts organisations to maintain a sustainable visual arts sector in Australia.

#### National Regional Programs

The Australia Council has delivered the Australian Government's National Regional Programs since they were transferred from the Ministry for the Arts during the 2012-13 financial year. Under the 2015-16 Budget measure, *National Programme for Excellence in the Arts – Establishment*, administration of Visions of Australia and Festivals Australia within the National Regional Programs has transferred back to the Ministry for the Arts, effective 1 July 2015.

The National Regional Programs provide directed Australian Government funding support for artists and arts organisations to tour their work to regional and remote areas, and to increase access to the arts for audiences in regional Australia. Projects range from performances and exhibitions by Australia's largest arts companies and institutions to smaller scale works by individual artists and emerging arts companies.

The Australia Council will continue to administer the following National Regional Programs:

- **Playing Australia: Regional Performing Arts Touring Fund**, which supports the touring of professionally produced performing arts tours to regional and remote audiences across Australia;
- **Contemporary Music Touring Program**, which supports national touring activity undertaken by Australian musicians performing original contemporary music, with a focus on regional and remote areas; and
- **Contemporary Touring Initiative**, which supports the development and touring of exhibitions of contemporary visual artists and crafts to regional and remote communities in Australia.

## **Sounds Australia**

Sounds Australia is delivered by the Australasian Performing Rights Association and Australasian Mechanical Copyright Owners Society Limited (APRA|AMCOS) through a partnership with the Australia Council and the Ministry for the Arts, as well as industry associations and commercial companies. Sounds Australia raises the profile and visibility of Australian musicians at key international music markets, including through targeted export enhancing activities such as showcases, networking events and industry meetings. Sounds Australia also includes the National Live Music Office (NLMO), which promotes audience access to live music across Australia. The Australia Council will continue to administer funding from the Ministry for the Arts for Sounds Australia in 2015-16, and discussions continue regarding future funding for Sounds Australia in subsequent years.

## **PROGRAMS TRANSFERRING TO THE MINISTRY FOR THE ARTS (as of 1 July 2015)**

Under the 2015-16 Budget expense measure, *National Programme for Excellence in the Arts – Establishment*, the administration of the following programs has been transferred to the Ministry for the Arts:

### **Festivals Australia: Regional Festivals Project Fund**

Supports regional and remote festivals to produce and present quality arts activities and projects that enhance their regular program of activities.

### **Visions of Australia: Regional Exhibitions Touring Fund**

Supports the development and touring of exhibitions of Australian cultural material that has artistic, social, cultural and historical significance.

### **Major Festivals Initiative**

The Major Festivals Initiative (MFI) supports the commissioning, development and showcasing of new Australian performing arts productions of scale for presentation at Australia's major international arts festivals. The members of the MFI are Adelaide Festival, Brisbane Festival, Darwin Festival, Melbourne Festival, Perth International Arts Festival, Sydney Festival and Tasmanian International Arts Festival.

## DISCONTINUED PROGRAMS

**ArtStart** provides small start-up grants for services, resources, skills development and equipment that help graduates to build an income-generated career in the art form they have studied. The program was designed to build business acumen so that artists are better equipped to self-generate income. The 2015-16 Budget measure *Arts and Cultural Programmes – efficiencies* applied a 50% reduction to ArtStart. This targeted reduction, combined with a significant overall reduction in the Council's 2015-16 appropriation impacted on the viability of ArtStart. The Australia Council subsequently announced that it will cease to offer the ArtStart program from 2015-16. Early career artists are eligible to apply for funding through the Australia Council's grants program, but it is noted that this will be part of a more competitive process.

**Creative Communities Partnerships Initiative (CCPI)** provides funding for innovative, large-scale, multi-year projects delivered through partnerships between arts and non-arts organisations (for example local councils, trusts and foundations, universities, not-for-profit organisations and corporations) to increase access for Australians to participate in arts and cultural activities in their own communities. Partners contribute at least 50% of the budget for projects. CCPI funds are fully allocated for existing funding agreements, which continue in 2015-16. Following the measures in the 2015-16 Budget, the Australia Council announced that the CCPI would not be accepting applications in the 2015-16 financial year or beyond. Applicants are eligible to apply for funding for this type of activity through the Australia Council's grants program, but it is noted that this will be part of a more competitive process.

**The Artists in Residence** program places professional practising artists in residence in schools to enhance the education of students through arts engagement projects. The Australia Council negotiated Memoranda of Understanding (MoUs) with each state and territory arts agency and education department for the delivery of Artists in Residence. Current MoUs took effect from January 2013 and will expire on 31 December 2015. The 2015-16 Budget Expense Measure *Arts and Cultural Programmes – efficiencies* applied a reduction to Artists in Residence. Following this reduction, combined with a significant overall reduction in the Council's 2015-16 appropriation, the Australia Council announced that it will cease to deliver the Artists in Residence program after 2015.

**The Australian Fellowships, New Work and Presentation** program supports the creation and presentation of new Australian work across all art forms (previously referred to as 'Creative Australia Artist Grants'). This is a five year terminating program, scheduled for completion during 2015-16. The limited remaining funds under this program are to be repurposed for allocation through the Australia Council's core grant programs in 2015-16.

**Get Reading!** The cessation of funding for *Get Reading!* was announced as part of the 2014-15 Federal Budget, and the last program delivered was for the 2013 calendar year. *Get Reading!* was previously delivered by Trust & C for the Australia Council and on behalf of the Government through the Ministry for the Arts. It involved delivery of a national marketing campaign that focused on raising public awareness of the value of reading in the community, Australian authors, and a national author touring program.

## Operating and program delivery costs and depreciation

This includes employee and supplier costs, as well as depreciation. The Council is currently considering potential cost saving opportunities and efficiencies in operating costs that can be achieved from 2015-16.

## Remaining Funds

This section provides an overview of activities under the Remaining Funds category of expenditure, including a summary of the Australia Council grants program delivered in 2014-15 compared with both the planned and revised activities for 2015-16 under the new funding framework. All activities align with the Australia Council's legislative functions and Strategic Plan goals.

In 2012-13 expenditure for *Australia Council Grants and Initiatives* (including the Council's grants program and strategic projects for sector development) was \$32.4 million, as compared to \$18.4 million forecast for 2015-16.

### Australia Council grants program:

The Australia Council grants program supports individual artists, groups of artists and arts organisations through a peer-assessed, streamlined and accessible grants model. The Council's new grants program opened in January 2015, following a two year reform process and sustained sector consultation.

| 2014-15 Actual activities   | 2015-16 Planned activities   | 2015-16 Revised activities – transition year  |
|---|--|---|
| <p><b>Arts Projects for Individuals and Groups</b><br/>(grants for up to three years ranging from \$10,000 - \$50,000 each)</p> <p>March 2015 round completed and the June 2015 round cancelled following the 2015-16 Budget announcement</p>   | <p>Arts Projects for Individuals and Groups<br/>(grants for up to three years ranging from \$10,000 - \$50,000 each)</p> <p>Four rounds per year</p> | <p>Arts Projects for Individuals and Groups<br/>(grants for up to three years ranging from \$10,000 - \$50,000 each)</p> <p>Two rounds in 2015-16</p>   |
| <p><b>Arts Projects for Organisations</b><br/>(grants for up to three years ranging from \$10,000 - \$150,000 each)</p> <p>March 2015 round completed and the June 2015 round cancelled following the 2015-16 Budget announcement</p>           | <p>Arts Projects for Organisations<br/>(grants for up to three years ranging from \$10,000 - \$150,000 each)</p> <p>Four rounds per year</p>         | <p>Arts Projects for Organisations<br/>(grants for up to two years ranging from \$10,000 - \$100,000 each)</p> <p>Two rounds in 2015-16</p>             |
| <p><b>Development Grants for Individuals and Groups</b><br/>(grants for up to two years ranging from \$5,000 - \$25,000 each)</p> <p>March 2015 round completed and the June 2015 round cancelled following the 2015-16 Budget announcement</p> | <p>Development Grants for Individuals and Groups (grants for up to two years ranging from \$5,000 - \$25,000 each)</p> <p>Four rounds per year</p>   | <p>Development Grants for Individuals and Groups<br/>(grants for up to two years ranging from \$5,000 - \$25,000 each)</p> <p>Two rounds in 2015-16</p> |



| 2014-15 Actual activities  | 2015-16 Planned activities  | 2015-16 Revised activities – transition year  |
|--|---|---|
| <p><b>Fellowships</b> (a total of 14 Fellowships valued at \$100,000 each awarded across art forms)</p> <p>One round per year</p>  | <p>Fellowships (a total of 12 Fellowships valued at \$100,000 each awarded across art forms)</p> <p>One round per year</p>  | <p>Fellowships (a total of 8 Fellowships valued at \$80,000 each awarded across art forms)</p> <p>One round per year</p>  |
| <p><b>Multi-year core funding to organisations:</b><br/>Supporting small-to-medium arts organisations with significant regional, national or international standing to achieve quality artistic outcomes across a range of areas of arts practice</p>  |   |   |
| <p><i>Multi-year core funding forecast to be \$23.1 million* in 2014-15</i></p>  | <p><i>Multi-year core funding to organisations planned to be \$22.4 million* in 2015-16</i></p>   | <p><i>Multi-year core funding to organisations forecast to be \$22.4 million* in 2015-16</i></p>  |
| <p>Key Organisation core funding for 147 small-to-medium arts organisations, with current contracts concluding on 31 December 2016</p> <p>Six Year Funding for Organisations program opens for Expressions of Interest (EOI). 418 organisations submitted an EOI at the March 2015 deadline.</p> | <p>Six Year Funding for successful organisations to commence in January 2016</p> <p>Transition arrangements in place until the end of 2016 for current Key Organisations with an unsuccessful Six Year Funding application.</p> | <p>Key Organisation core funding for 147 small-to-medium arts organisations, with current contracts concluding on 31 December 2016</p> <p>Six Year Funding for Organisations cancelled (To be replaced by Four Year Funding for Organisations program. Application process to commence in late 2015 with funding to commence January 2017.)</p> |

*\*This figure includes support for two territory orchestras*

#### **National and International development:**

The Council works nationally and internationally to deliver a broad range of development activities to support all art forms. These activities are supported through the Council's grants program, as well as a broad range of strategic projects and initiatives. Activities are focussed on: delivering market development opportunities for Australian arts; leading new approaches to audience development; increasing arts access and engagement; fostering artistic vibrancy and sustainability in individual art forms; facilitating artistic and cultural exchange; building new collaborations and partnerships; supporting pathways leading to international opportunities for Australian artists and organisations; and enhancing the international profile of Australian arts. Revised planning is currently being undertaken for 2015-16 and beyond.

#### **Capacity building:**

The Council delivers targeted programs to increase sector sustainability, leadership capacity and sector upskilling. The 2015-16 program is under review.

#### **Research, Data and Analysis program:**

The Council plays a national leadership role in building the evidence base for the arts, evaluating arts investment, and informing policy and program development. This is delivered through original research, evaluation, analysis and data collection. The 2015-16 research plan is currently being revised.

## ***Appendices***

### **About the Australia Council**

The Australia Council was originally established as an independent statutory authority by the *Australia Council Act 1975*. On 1 July 2013, the *Australia Council Act 2013* commenced, establishing a new governance structure and updating the legislative functions of the Australia Council. The inaugural members of the new, skills-based Australia Council Board were appointed effective from Monday 1 July 2013, led by Mr Rupert Myer AO as Chair. The corporate governance arrangements of the Australia Council are determined by the *Australia Council Act 2013* and the *Public Governance, Performance and Accountability Act 2013*. The role of the Australia Council Board is to ensure the proper and efficient performance of the Australia Council's legislative functions, which are:

- (a) to support Australian arts practice that is recognised for excellence;
- (b) to foster excellence in Australian arts practice by supporting a diverse range of activities;
  - (ba) to support Aboriginal and Torres Strait Islander arts practice
  - (bb) to support Australian arts practice that reflects the diversity of Australia;
  - (bc) to uphold and promote freedom of expression in the arts;
  - (bd) to promote community participation in the arts;
- (c) to recognise and reward significant contributions made by artists and other persons to the arts in Australia;
- (d) to promote the appreciation, knowledge and understanding of the arts;
- (e) to support and promote the development of markets and audiences for the arts;
- (f) to provide information and advice to the Commonwealth Government on matters connected with the arts or the performance of the Council's functions;
- (g) to conduct and commission research into, and publish information about, the arts;
- (h) to evaluate, and publish information about, the impact of the support the Council provides;
- (i) to undertake any other function conferred on it by this Act or any other law of the Commonwealth;
- (j) to do anything incidental or conducive to the performance of any of the above functions.

## EXPENDITURE BUDGET

(000s)

| Activity   | Actual 2012-13 | Actual 2013-14 | Forecast 2014-15 | Forecast 2015-16 |
|--|----------------|----------------|------------------|------------------|
| <b>Income</b>                                    | <b>199,796</b> | <b>228,227</b> | <b>218,175</b>   | <b>187,346</b>   |
| Appropriation                                    | 188,049        | 218,786        | 211,764          | 184,525          |
| Grants from portfolio dept.                      | 3,401          | 1,878          | 718              | 650              |
| Interest   | 2,971          | 3,147          | 3,029            | 1,300            |
| Other income                                     | 5,375          | 4,416          | 2,664            | 871              |
| <b>Expenditure</b>                               | <b>198,706</b> | <b>226,990</b> | <b>216,956</b>   | <b>187,346</b>   |
| <b>Government directed funds</b>                 | <b>121,342</b> | <b>131,162</b> | <b>134,657</b>   | <b>122,593</b>   |
| Support for MPAs                                 | 100,573        | 103,116        | 106,035          | 107,703          |
| Government initiatives                           | 20,769         | 28,046         | 28,622           | 14,890           |
| Visual Arts and Craft Strategy                   | 5,600          | 5,571          | 5,697            | 5,755            |
| National Regional Programs                       | 5,400          | 11,427         | 11,642           | 7,915            |
| CCPI   | 2,700          | 2,500          | 3,983            | 570              |
| ArtStart   | 2,000          | 2,168          | 1,931            | -                |
| Get Reading                                      | 1,369          | 1,173          | -                | -                |
| Australian Fellowships, New Work and Presentatio | 1,300          | 2,516          | 2,573            | -                |
| Artists in Residence                             | 1,300          | 1,276          | 1,251            | -                |
| MFI  | 750            | 750            | 750              | -                |
| Sounds Australia                                 | 350            | 665            | 795              | 650              |
| <b>Remaining funds</b>                           | <b>53,481</b>  | <b>68,067</b>  | <b>56,846</b>    | <b>40,857</b>    |
| Grants and Initiatives                           | 32,400         | 45,288         | 33,726           | 18,439           |
| Key Organisations                                | 21,081         | 22,779         | 23,120           | 22,418           |
| <b>Operating and program delivery expenses</b>   | <b>23,883</b>  | <b>27,762</b>  | <b>25,453</b>    | <b>23,897</b>    |
| <b>Surplus / (Deficit)</b>                       | <b>1,090</b>   | <b>1,237</b>   | <b>1,219</b>     | <b>(0)</b>       |

## **Links to background information – Australia Council Strategic Plan, annual reports and press releases**

[Australia Council Strategic Plan 2014 to 2019](#)

[Australia Council press release dated 18 August 2014 \(Strategic Plan launch\)](#)

[Australia Council press release dated 18 August 2014 \(New grants model launch\)](#)

[Australia Council press release dated 21 May 2015 \(Impacts of budget\)](#)

[Australia Council press release dated 16 June 2015 \(First grant round outcomes\)](#)

[Australia Council Annual Reports for 2013-14 and 2012-13](#)