

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Spill-over hearing March 2017

Communications Portfolio

Department of Communications and the Arts

Question No: 264

Australia Council

Hansard Ref: Written, 03/04/2017

Topic: Cash Reserves

Senator Bilyk, Catryna asked:

1. On 9 February 2017 the 2016-17 Portfolio Additional Estimates Statements revealed and a depletion of the Australia Council cash reserves of \$5 million in 2016-17 and another \$5 million in 2017-18 to be used for increased support for small-to-medium art sectors.

Did the Australia Council request the drawdown of its cash reserves rather than a replacement of much needed additional funds and, if so, in what amounts? Who made the requests, what form did the requests take and what advice was provided to the Minister on these requests? Why have the cash reserves been depleted instead of a replacement of the funding that has been cut by the Government from the Australia Council affecting its capacity to support the arts in Australia?

2. What is the balance of the Australia Council cash reserves after this drawdown of \$10 million? What proportion does this represent of annual average appropriations to the organisation? How does this compare to the cash reserves of other organisations in the arts portfolio? Is that a sufficiently prudent level of reserves for the organisation to maintain?
3. What effect will the significant depletion of important cash reserves have on the future financial stability of the Australia Council?
4. How confident are the management and Board of the Australia Council that the utilisation of cash reserves will not adversely affect the financial security and operations of the organisation?
5. How will the Australia Council spend the cash reserves of \$10 million over 2016-17 and 2017-18 on the small-to-medium arts sector? Will the Australia Council hold additional funding rounds for the small-to-medium arts sectors? If so, when will those funding rounds be held?

Answer:

1. Answered on page 44 of Hansard by Mr Eccles. Additionally, on 18 March 2017 the Turnbull Government announced the transfer of the majority of funds for Catalyst—*Arts and Culture Fund* to the Australia Council. This will see \$80.2 million over four years transferred to the Australia Council, assisting it to further support the arts in Australia.
2. Answered under Question on Notice 271 – Department of Communications and the Arts.
3. There will be no impact on the future financial stability of the Australia Council.
4. See answer to Question 3.
5. The Australia Council will direct the \$5 million per year in 2016-17 and 2017-18 to small to medium arts organisations through its existing funding programs.