

SENATE STANDING COMMITTEE ON LEGAL AND CONSTITUTIONAL AFFAIRS  
ATTORNEY-GENERAL'S PORTFOLIO

**Group: 2**

**Program: 2.1**

**Question No. BE15/058**

**Senator Xenophon asked the following question at the hearing on 27 and 28 May 2015:**

In the 2015-2016 Budget, the Australia Council's funding was cut by \$23 million. I understand the Australia Council's new appropriation for 2015-16 is \$184.5 million and that the Australia Council will continue to deliver the Major Performing Arts framework, Visual Arts and Crafts Strategy, Playing Australia, Contemporary Touring Initiative and Contemporary Music Touring Program, on behalf of the Australian Government.

As a result the reduction in funding will impact the Australia Council's grants model, current Key Organisations, national and international development activities, capacity building, research and operations.

Further, I understand \$110 million in funding over four years has been redirected to support the establishment of the National Programme for Excellence in the Arts, run by the Ministry for the Arts.

Concerns have been raised with me about the consequences of these funding cuts and the establishment of the National Programme for Excellence in the Arts. For example, I understand that small to medium arts organisations will likely be affected by these funding cuts.

Can the Attorney-General's Department advise:

1. The rationale behind the decision to cut funding from the Australia Council and to establish a new arts program?
2. What outcomes were not being achieved by the Australia Council that necessitated the establishment of a new program?
3. What steps will be taken to ensure that programs now managed by the Ministry for the Arts will adhere to the principles of funding at arms' length from government and peer assessment?
4. What activities will the National Programme for Excellence in the Arts take in respect of the functions previously performed by the Australia Council (such as national and international development activities, research and grants) but will now be reduced as a result of funding cuts?

**The answer to the honourable senator's question is as follows:**

1. Australian Government funding to the arts has traditionally been distributed in two ways – first, through decisions of the government of the day as represented by the Minister for the Arts. Second, at arm's length from the government through decisions made by the Australia Council, the Australian Government's arts funding agency. It is important that the balance

between these two funding sources is right and the reallocation of funding addresses what the Government considers is an imbalance in the way in which funding has been administered for the arts in Australia.

2. The National Program for Excellence in the Arts (National Program) will make funding available to a wider range of arts organisations, and a wider range of purposes. The National Program will support endowment incentives, international touring and cultural diplomacy and strategic initiatives – which are regarded as the areas of greatest importance for the arts in Australia. It will include an emphasis on leveraging funding from other sources, including from philanthropy and the corporate sector, as well as state, territory and local government, thus increasing overall investment in the arts sector.
3. The Ministry for the Arts will bring decades of experience in managing arts funding programs to the management of the National Program. Applications to the program will be made under publicly-available guidelines with assessment made against published eligibility criteria. Guidelines for the program will comply with the Commonwealth Grants Rules and Guidelines which ensure that public funding is spent in a fair and transparent manner. The guidelines will be clear, transparent and they will extend access to funding to a wide variety of potential applicants.
4. The 2015-16 Budget measure does not represent a cut in funding to the arts portfolio. The Australia Council continues to have significant funding of approximately \$185 million in 2015-16 to support the Australian arts sector.

The National Program will support endowment incentives, international touring and cultural diplomacy, strategic initiatives, regional and metropolitan festivals and regional exhibition touring.