



31 January 2020

Australian Government – The Treasury  
PO Box 6021  
Parliament House  
CANBERRA ACT 2600

**Re: 2020-21 Pre Budget Submission**

Thank you for the opportunity to provide a pre-budget submission for the 2020-21 Federal Government Budget.

Theatre Network Australia (TNA) is the leading industry development organisation for the performing arts, prioritising independent artists and small to medium companies. A national organisation with a dedicated Victorian program, TNA strengthens artists and arts organisations, influences cultural policy, facilitates critical debate and networking, and advocates for a robust, interconnected and innovative sector. We serve over 380 members, and reach and represent over 3000 more arts workers through our communications and research.

As an organisation which supports the small to medium and independent performing arts sectors in particular, we want to highlight the **\$7million per annum** needed urgently to ensure that the country doesn't lose around 31 small to medium companies when organisational funding announcements are made in late March.

Due to historical cuts to the Australia Council for the Arts (as investigated in the Senate Inquiry into the 2014 and 2015 Arts Budget Changes), the Australia Council has had dwindling resources to support the programs of which it has carriage – these are largely made up of the Four Year Funding program for small to medium arts organisations, and the grant programs for individual artists and other organisations. This results in the current funding round being inadequate to invest in the current number of small to medium organisations (124). The Australia Council itself has confirmed that between 27 and 35 fewer organisations will be funded, if additional investment is not sourced.

We have done some modelling on the impact of this below.

Theatre Network Australia is a proud member of the Arts Industry Council (Victoria), and as such, we also endorse the joint 2020-21 Pre Budget Submission from State Chamber and Industry bodies for Arts & Creative Industries. Our submission herewith aligns with their calls for a short-term urgent investment for the Australia Council for the Arts, and their long-term call for an increase in the total investment in arts and culture to 1.11% of GDP by 2030.

Further, Theatre Network Australia works alongside eight other national peak bodies for the performing arts, and we have jointly committed to calling for investment in four key areas, also outlined below.

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## \$7million p/a Needed to Sustain the Same Number of Arts Organisations Across Australia

TNA has calculated what a loss of 31 Four Year Funded organisations from the current cohort of 124 organisations would look like from a state/territory perspective, with between 1 and 8 organisations likely to lose funding per state/territory; and what that looks like per artform or panel area, with between 1 and 6 organisations per area likely to lose funding. An urgent investment of \$7million per annum for this program would prevent this loss.

### STATE AND TERRITORY IMPACT

In TNA's model, 25% of organisations losing funding in each state/territory would be as below (figures are rounded).

<i>State/Territory</i>	<i>Current # of orgs</i>	<i>Orgs loss @ 25%</i>
ACT	3	1
NSW	32	8
NT	13	3
QLD	18	5
SA	11	3
TAS	7	2
VIC	29	7
WA	11	3
<b>Total</b>	<b>124</b>	<b>31</b>

### ARTFORM/PANEL AREA IMPACT

In TNA's model, 25% of organisations losing funding in each artform/panel area would be as below (figures are rounded).

<i>Artform/Panel</i>	<i>Current # of orgs</i>	<i>Orgs loss @ 25%</i>
Aboriginal & Torres Strait Islander Arts	13	3
Community Arts & Cultural Development	15	4
Dance	11	3
Emerging and Experimental Arts	5	1
Literature	11	3
Multi-Artform	11	3
Music	13	3
Theatre	24	6
Visual Arts	21	5
<b>Total</b>	<b>124</b>	<b>31</b>

## Joint Messaging from Performing Arts Peak Bodies

As mentioned, Theatre Network Australia works alongside eight other national peak bodies for the performing arts: Ausdance National, Australian Major Performing Arts Group, BlakDance, Live Performance Australia, Music Australia, Symphony Services Australia, Performing Arts Connections Australia, Regional Arts Australia. We have jointly committed to calling for investment in four key areas.

1. A four-year investment in the National Indigenous Arts and Cultural Authority (NIACA): \$4.5million over 4 years.

2. An urgent investment in the Australia Council for the Arts of \$25million p/a over the next four years: \$100million over 4 years. This include the \$7million p/a needed for Four Year organisations.
3. A commitment to Consumer Price Index adjustments to federal arts funding, and for the removal of the efficiency dividend on Australia Council funding, to ensure the stability and growth of the arts industry: CPI indexation.
4. A Strengthening of regional access to the arts and opportunities for regional companies and artists, of \$5 million p.a. over 4 years for regional access and engagement, along with a commitment of funds to fulfil outcomes of the current Touring Scan as commissioned by the Meeting of Cultural Ministers in late 2019: \$20million over 4 years and amount TBC for MCM touring scan recommendations.

**1. Our Nation begins with our First Nations.**

We recognise the need for bipartisan commitment to closing the gap, incorporating feedback from First Nations people who are calling for greater recognition of the importance of culture and cultural practice in building community and health. There is currently no dedicated program for funding of Indigenous performing arts, and the scope of the Indigenous Languages and Arts Program has tended to underrepresent Indigenous performing arts.

**Arts and Culture is of paramount importance.** As a next step we recommend investment in the development of a National Indigenous Arts and Cultural Authority NIACA. (Estimated development costs over four years \$4.5 million.)

**2. Increase Australia Council for the Arts capacity to invest in the performing arts sector**

New Investment	Purpose	Sector Outcome
+\$12 million p.a. over 4 years for companies:  - \$7million p.a. for the Four-Year Funding Program  - \$5million p.a. for new entrants and further investment in the new National Partnerships Organisations.  +\$4 million p.a. over 4 years for project grants	Increase Australia Council’s capacity to invest in programs to support sustainability and growth of multi-year funded performing arts organisations, individual artists and arts workers, and increase capacity to project fund the high level of ‘unfunded excellence’ and new ambitious works.	<ul style="list-style-type: none"> <li>• A stronger national arts framework that stimulates growth in diverse vibrant artistic works from small to medium and large, with greater capacity to serve audiences regionally, nationally and internationally.</li> <li>• Secure jobs and career pathways and sustainability for practising artists and arts workers across regional, remote and metropolitan centres.</li> <li>• Reduce red tape.</li> <li>• Maximise investment leverage - Base funding stability enables new partnerships and collaborations.</li> </ul>

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<p>\$5 million p.a. over 4 years as seed funding for new major Australian works</p>	<p>To support sustainable growth and jobs in the industry through the development of new major Australian works</p>	<p>Employment and skills development:</p> <ul style="list-style-type: none"> <li>• Develop and realise new opportunities for employment of Australian performance artists, managers, technical and operational staff</li> <li>• Improved skills and employability of new talent through increased opportunities</li> </ul> <p>Artistic intellectual property:</p> <ul style="list-style-type: none"> <li>• Increase capacity to support R&amp;D</li> <li>• Increase in Australian creative IP</li> <li>• Major innovative works generate new opportunities in international markets (export) as well as advance our image international.</li> </ul> <p>Maximise economic contribution of the sector:</p> <ul style="list-style-type: none"> <li>• Attract increased private and foreign investment in the sector</li> <li>• Realise flow on economic benefits to related industries, i.e. hospitality, tourism, university sector</li> </ul>
<p>+\$ 4 million p.a. over 4 years for enterprise initiatives and programs</p>	<p>Provide mechanisms and programs that support the sustainability and growth of the entire sector, i.e. longer-term strategic initiatives that enable exposure, professional development, distribution and engagement.</p>	<p>Engagement and openness:</p> <ul style="list-style-type: none"> <li>• Research and pilot initiatives to support audience diversity and growth</li> </ul> <p>Creative innovation:</p> <ul style="list-style-type: none"> <li>• Strengthen cross-sector collaboration</li> <li>• Address skills gaps and advance sector innovation and promote artistic vibrancy</li> </ul> <p>Adaptation and business innovation:</p> <ul style="list-style-type: none"> <li>• Enhance entrepreneurial and business acumen of individual companies</li> <li>• support professional development and knowledge sharing</li> <li>• financial viability of artistic works is increased</li> </ul> <p>Response to changes impacting sector sustainability to enable the ecology to adapt and evolve</p>

### 3. Provide stability of funding to the Australia Council for the Arts.

We also call for an increase in Australia Council for the Arts funding; for all program funding to be adjusted to the Consumer Price Index; and for the removal of the efficiency dividend on Australia Council funding.

Strategy/Investment	Purpose	Outcome
All Australia Council for the Arts funding is annually adjusted by CPI.	Address systematic erosion of government investment in the arts.	Increased stability, job security and capacity to strengthen and leverage partnerships.
Remove efficiency dividend on arts program funding.	Address the negative impact the efficiency dividend effectively has in reducing the value of arts sector investment.	Ensure greater stability and capacity to strengthen and leverage partnerships.

### 4. Strengthen regional access to the arts and opportunities for regional companies and artists.

We also call for an increase in Regional Arts funding and the Australia Council for the Arts regional touring program.

Strategy/Investment	Purpose	Outcome
<p>+\$5 million p.a. over 4 years for regional access and engagement</p> <p><i>+\$ amount TBC to fulfil outcomes of the current Touring Scan as commissioned by the Meeting of Cultural Ministers</i></p>	<p>Strengthen regional access, develop regional audiences' engagement and develop regionally based performing arts practice through increasing the scope and funding directed into regional arts initiatives.</p> <p>Diversification of regional industries, increase regional communities' liveability and attraction of tourism.</p> <p><i>Dependent on the outcome of the current Touring Scan underway, provide investment into identified gaps to increase access by regional audiences to a diverse range of touring product.</i></p>	<ul style="list-style-type: none"> <li>• Increased making of art work in regional Australia.</li> <li>• Opportunities for regional artists to develop and present both within and beyond their own regional areas are increased, creating sustainable careers</li> <li>• Regional community connections, resilience and tourism is increased</li> <li>• Increased liveability of regional centres</li> <li>• Social and civil connections between regional and metropolitan Australia is increased</li> <li>• Address cost barriers to regional touring are addressed and enable deeper local engagement with touring works</li> <li>• Increase access, diversity and affordability of work touring to and from regional Australia.</li> <li>• Touring organisations are able to develop multiyear strategies to build regional audiences, and regional audience engagement opportunities.</li> </ul>

## Rationale for supporting the arts

The Rationale for supporting arts organisations is multifaceted: there are demonstrated benefits in economic, social, and cultural arenas. Evidence of these benefits includes the following.

The Australia Council for the Arts *Connecting Australians* report showed us that Australians deeply value the arts. Annually:

- 98% of Australians engage with the arts.
- Half creatively participate.
- More than 14 million Australians attend arts events in person.
- 17 million Australians acknowledge the significant positive impacts of the arts (86% of the population aged 15 years and over) including:
  - their sense of wellbeing and happiness (60%)
  - their ability to express themselves (69%)
  - their ability to think creatively and develop new ideas (67%).
- Three in four Australians believe the arts are an important way to get a different perspective on a topic or issue (73%).<sup>1</sup>

The recently released *Transformative: Impacts of Culture and Creativity*, produced by independent think tank A New Approach (ANA), offers further insight. The report outlines in detail the deep impact of the arts across society and place; the economy; innovation; health and wellbeing; education and learning; international engagement; and, of course, culture.<sup>2</sup>

We also know that the arts contribute to Australia's economic strength:

- Household expenditure reached AUD\$25.5 billion in 2015-16 on cultural goods and services.
- Australia's creative and cultural activity is a significant component of our national economy, contributing more than \$111.7 billion, or a 6.4 per cent share of Australia's Gross Domestic Product (GDP) in 2016-17.<sup>3</sup>
- More than half a million Australians work in the creative economy, which employed 593,830 people in 2016, representing about 5.5 per cent of the national workforce.

Equally importantly, the arts afford tangible opportunities to all individuals and communities to participate in and benefit from a creative society. As a multicultural nation, cultural participation is fundamental to our democracy. There is increasing evidence to overwhelmingly demonstrate how crucial arts is to a well-balanced education and in shaping our leaders.<sup>4,5</sup>

With a growing population, and an urgent need for social cohesion, there is a great opportunity to utilise this potential to create enhanced social, cultural and economic benefits to Australia.

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<sup>1</sup> <https://www.australiacouncil.gov.au/workspace/uploads/files/connecting-australians-natio-595de0ec78d4d.pdf>

<sup>2</sup> <https://www.humanities.org.au/wp-content/uploads/2019/11/ANA-InsightReportTwo-FullReport.pdf>

<sup>3</sup> <https://www.humanities.org.au/wp-content/uploads/2019/09/ANA-InsightReportOne-ExecutiveSummary.pdf>

<sup>4</sup> <https://research.acer.edu.au/cgi/viewcontent.cgi?article=1020&context=aer>

<sup>5</sup> <https://nitro.edu.au/articles/2019/3/1/issues-challenges-and-needs-for-government-arts-culture-and-education-policy-an-art-education-australia-aea-perspective>