

ACT BUDGET SUBMISSION 2024

Arts Capital Ltd (Ainslie + Gorman), Belconnen Arts Centre, Canberra Glassworks, Tuggeranong Community Arts Association (Tuggeranong Arts Centre)

1. Overview

In 2023, 29 ACT arts organisations commenced new funding agreements with the ACT Government through the Arts Organisation Investment Program and Arts Centre Investment Program.

This funding is allocated on a calendar year basis, to 2026 for Arts Organisation Investment Program or to 2027 for Arts Centre Investment Program funding.

All programming, reporting, auditing and acquittal is delivered on a calendar year basis.

Current funding levels for all organisations commenced in January 2023. Deeds note that funds will be paid “plus CPI from 2024 if available and to be determined by the Territory.” On 11 October 2023, the 29 funded organisations were informed by artsACT that their 2023 funding “has already incorporated any increases for indexation that artsACT has received over (2022-23 and 2023-24),” and that indexation will not be provided until July 2024. The advised approximate indexation for July 2024 is 2.5%, 18 months after commencement of funding at current levels.

Per the RBA Statement on Monetary Policy August and November 2023, CPI over the 18 months from December 2022 to June 2024 is estimated at 6.2%.

The result of this disparity is more than \$1 million in reduced real funding for ACT arts organisations over four years.

Through a sector survey conducted in November 2023, arts organisations report that this reduction in real funding will reduce their capacity to pay staff, deliver program, and maintain surpluses. There is widespread concern that resources are not available to meet growing community need.

Concerningly, 13 out of 15 respondents indicated their program output would decrease in 2022 compared to 2024. This is not compatible with the ambitions articulated in *Canberra: Australia's Arts Capital – Arts, Culture and Creative Policy 2022–2026*.

Early in 2023, Key Performance Indicators were agreed by all arts organisations, reviewed on a calendar year basis, generally including increases to metrics such as utilisation, occupancy and reach. It is not reasonable to expect arts organisations to increase performance across all areas of their operations while undergoing a funding reduction in real terms.

The ACT Government is requested to allocate an additional 3.7% indexation in July 2024 to all arts organisations funded through the Arts Organisation/Centre Investment Programs, to maintain real capacity of these organisations over time and fulfil their role in making Canberra Australia's arts capital.

2. Sector consultation

The 2023 ACT Arts Organisations survey was held between 10 and 24 November 2023. It was sent directly to heads of 29 ACT arts centres and organisations. Questions were designed based on issues identified through informal consultation with the sector. There were 16 responses, representing more than half (55%) of funded arts centres and organisations.

Respondents were asked how much they agreed with various statements. These responses have been weighted to provide a numerical average response for each question from 0 to 10.

The below summary includes questions relevant to this submission only.

Reduction in real funding total in 2024 and future years

Overwhelmingly, respondents reported that a reduction in real funding in 2024 and future years will impact their capacity to pay staff (9.1), deliver program (9.2), and maintain a surplus (9.2). Zero respondents said that there would not be an impact.

This suggests that arts organisations will manage a reduction in real funding through a combination of lower surpluses, reduced staff wages, and decreased program output.

Staffing

Arts organisations were concerned they would not be able to offer competitive wages (1.8) or provide mandated award wage increases without impacts to operations or programs (2.0).

Organisations mostly disagreed that they would be able to invest in staff development in the coming year (2.8).

Programming

Organisations did not feel that they had the capacity to fulfil their ambitions (2.0).

Overwhelmingly, organisations strongly felt fees were a barrier for audiences, artists and communities to access their programs (1.1).

Only one respondent agreed that their programming output in 2024 would be higher than in 2022. One organisation neither agreed nor disagreed. Of 15 respondents to this question, 13 mostly or completely disagreed (2.3).

This suggests that a large majority of arts organisations are reducing their program output over time, despite the launch of a new cultural policy and funding model. This should be a major concern to the ACT Government.

3. Policy implications

The reduction of funding in real terms in 2024 and future years compared to 2023 levels is significantly impactful, across program output, staff wages, and organisational financial security. This risks ACT Government priorities as identified in the *Arts, Culture and Creative Policy 2022-2026*, *Remuneration Principles and Practices for Artists and Arts Workers 2022* and *ACT Arts Organisation/Centre Investment Program Funding Guidelines* respectively.

Most ACT arts organisations have ambitions that they cannot deliver on, and will be presenting reduced program in 2024 compared to output in 2022 prior to the new funding model being implemented.

This undermines success metrics identified in *Canberra: Australia's Arts Capital Arts, Culture and Creative Policy 2022-2026*:

- Canberra's arts venues, precincts and organisations are sustainable and connected. They support quality, engaging and innovative art making while attracting visitors. (Create)
- Canberra is the best city to create, participate and engage in arts, culture and creativity. It attracts artists and creative practitioners nationally and internationally wishing to work and collaborate in the ACT. (Create)
- Canberra's arts, culture and creative sector is resilient and adaptable to sector and community needs and aspirations. (Develop)
- Remuneration principles and practices are adopted, resulting in a stronger understanding about the value of artistic work. Artists receive fair remuneration for their work to ensure their financial sustainability. (Develop)
- ACT arts organisations provide programs, services, expertise and infrastructure to support and develop the arts in the ACT, and activities that strongly engage with the local community. (Develop)
- No matter the practice, audiences grow year on year. (Promote)
- Canberra is known as a place where talent can thrive and successes are celebrated. (Promote)
- There are more opportunities and new markets for Canberra artists, arts workers and arts organisations to attract new talent and engage locally, nationally and internationally. (Promote)

4. Conclusion

To resolve these issues, it is recommended that the ACT Government allocate a further 3.7% indexation as of July 2024 for Arts Centres/Organisation Investment Program funding, in addition to the approximately 2.5% indexation already planned, and commit to providing indexation in line with CPI in future years. This will ensure that arts organisations are not required to reduce their program activity over the remaining three or four years of their funding agreements and can focus on delivering outstanding arts, cultural, creative and wellbeing outcomes for the community.

Appendix: Question and response data

A reduction of Arts Organisation/Centre Investment funding in real terms in 2024 and future years will impact our capacity:															
	Completely disagree		Mostly disagree		Neither agree nor disagree		Mostly agree		Completely agree		N/A, don't know, or prefer not to answer		Total		
to pay staff	0.00%	0	0.00%	0	6.25%	1	25.00%	4	68.75%	11	0.00%	0	16		
to deliver program	0.00%	0	0.00%	0	12.50%	2	6.25%	1	81.25%	13	0.00%	0	16		
to maintain a financial surplus	0.00%	0	0.00%	0	6.25%	1	18.75%	3	75.00%	12	0.00%	0	16		

Looking ahead to 2024, we are generally confident that we will be able to:															
	Completely disagree		Mostly disagree		Neither agree nor disagree		Mostly agree		Completely agree		N/A, don't know, or prefer not to answer		Total		
invest in staff training and development	13.33%	2	73.33%	11	0.00%	0	13.33%	2	0.00%	0	0.00%	0	15		
offer competitive wages	46.67%	7	40.00%	6	6.67%	1	6.67%	1	0.00%	0	0.00%	0	15		
provide mandated increases to award rates without impact on our operations or programs	46.67%	7	33.33%	5	13.33%	2	6.67%	1	0.00%	0	0.00%	0	15		

Looking ahead to 2024, we are generally confident that:															
	Completely disagree		Mostly disagree		Neither agree nor disagree		Mostly agree		Completely agree		N/A, don't know, or prefer not to answer		Total		
our programming output will be higher next year (2024) than it was last year (2022)	33.33%	5	53.33%	8	6.67%	1	0.00%	0	6.67%	1	0.00%	0	15		
we have the capacity to fulfil our program ambitions	53.33%	8	33.33%	5	0.00%	0	6.67%	1	6.67%	1	0.00%	0	15		
fees are not a barrier for audiences, artists or communities to access our programs	66.67%	10	6.67%	1	6.67%	1	6.67%	1	0.00%	0	13.33%	2	15		