

AICSA and Arts SA Meeting notes

Meeting held at 1pm on Thursday 24 September 2009 at Arts SA

Attending from Arts SA: Alex Reid (Acting Director), Helen Richardson, Alex Hurford
Attending from AICSA: Carolyn Ramsey (Chair), Phil Callaghan (Deputy Chair), Daniel Clarke (Executive Committee Member), Torben Brookman (Executive Officer).

Carolyn Ramsey provided an update on the activities of AICSA over the past year including change of Executive Officer, change of executive committee.

Carolyn Ramsey advised of upcoming AICSA events including the Annual Dinner to be held on October 23 and the pre-election State arts Forum to be held on November 12.

Alex Reid provided an update on Arts SA:

- Advised confirmation of Greg Mackie's appointment within the Department for the Premier and Cabinet
- Advised the structure and position of Arts SA within the DPC
- Advised that the call for the position of Director of Arts SA to be announced in the next few weeks now that Greg Mackie's appointment at DPC is confirmed

AICSA raised the following question:

SAVINGS CUTS AND ARTS POLICY

Given the information circulating regarding forecast cuts to the arts budget in the next three years (2010 to 2013), is Arts SA able to provide any insight on how these will be managed and implemented in the absence of a current Arts Policy?

Can you share Arts SA's position on the development of an Arts Policy for South Australia?

Alex Reid responded as follows:

In the above situation there are no absolutes but the general principle is that the level of required savings will not be able to be achieved through small changes alone that some substantial reductions will have to be made in certain areas.

Alex Reid then elaborated and provided some additional background on the reasons for the savings strategy and the directive that had been given to Arts SA in relation to their implementation:

South Australia along with all other States and Territories has come under significant pressure due to the global financial crisis.

At the mid year budget review it was noted that the State was in a worse position than had been forecast. Due to this a directive to reduce costs across all sectors, including the arts was issued.

Alex Reid noted that while Arts funding is annual the general forecasts that are worked on are four yearly, this is why the savings that need to be made will be implemented over the next 3 years.

The simplified position that resulted from the State's financial position in relation to DPC (and hence Arts SA) is that DPC was given a dollar figure by which it had to reduce costs. In addition to this the State Government set a target to reduce employees by 1,600 people by 2011-12, the DPC's component of the personnel reduction was a target of 64 people over the 2009/10 year. Alex noted that these reductions must be voluntary severance packages ie. No one would be directly dismissed but would have to volunteer to take a termination package.

Alex Reid advised that Arts SA had already instituted savings of \$330,000 over the 2009/10 year. The level required in the near future will also depend on the number of separation packages that are achieved and other factors.

Given the size of the savings required, Arts SA has been forced to look at all areas. The areas that have currently been identified are:

1) Cost savings required for Annual Funded Company's.

All major State Arts Organisations will face reductions in funding. As these companies are annually funded their funding is essentially guaranteed and they generally receive their funding approvals on the day after the State budget is announced. After the mid-year budget review, Alex Reid wrote to all of these companies to advise that they would need to put cost saving measures in place as funding would be reduced from 2010-11. This was done to enable these companies to have as much time as possible to put cost saving measures in place.

2) Inflation impact on funding.

As a precedent, inflation has traditionally been set at approx 2.5% per annum. In July, Treasury advised that inflation would be set at 1.75% which had the effect of reducing the funds able to be provided to Arts SA. Given this, Arts SA was required to reduce the CPI amount it had already committed to a number of funded organisations. It should be noted that much of this reduction requirement was absorbed from Arts SA discretionary funds, however this has had a flow on effect and reduced available discretionary funds.

As South Australia does not have a defined Arts Policy, Arts SA looks to other guidelines in relation to priority areas to inform their decisions as to where and how to implement the savings required. The main guiding document continues to be the South Australia's Strategic Plan and election commitments and budget announcements.

Due to the level of savings required, they cannot be implemented through cutting small amounts here and there, and larger reductions are required. Given the major State Companies are a major component of Arts SA's overall budget, it is anticipated that they will end up bearing much of the impact of these savings strategies. They have already been put on notice to reduce costs, whilst maintaining core capacity for what is critical for both the organisation and the state.

After the reductions in the funding for the major companies, Arts SA still needs to look at other initiatives to find further savings and while Arts SA cannot divulge a specific number in relation to the savings that it needs to make, the figure is significant.

It is anticipated to meet the funding targets set, some grants and programs as well as some industry development initiatives may have to be altered.

There are some areas such as the contemporary music program and the Richard Llewellyn Trust which are protected by Legislation.

Some other companies such as STCSA, ASO, State Opera are also protected as their agreements are with the Major Performing Arts Board of the Australia Council.

QUESTION PART 2:

Can you share Arts SA's position on the development of an Arts Policy for South Australia?

There is no sense of a policy currently being developed and it is something that certainly wouldn't make sense to do on the run or as a reactive measure. The strategy will always refer back to South Australia's Strategic Plan and the issue of allowing the State's arts organisations to maintain capacity in core areas.

AICSA raised the following question:

2) METROPOLITAN AND REGIONAL VENUES

One of the major issues that AICSA members have raised is the lack of and condition of both metropolitan and regional venues in South Australia. The membership feels that many of these venues are not of sufficient standard to support a vibrant and creative arts community in SA.

Can you clarify Arts SA's position on venue development, maintenance and infrastructure and how these concerns are being addressed by ArtsSA in the short and longer term?

Alex Reid explained that Arts SA currently manages about 80 buildings of which 47% are heritage listed.

The regional theatres are viewed as a priority and are managed very well by Country Arts SA within limited resources.

Arts SA has been involved in a number of regional initiatives such as the refurbishment of the art gallery in Whyalla which is a joint initiative between the Whyalla City Council and Arts SA.

Every two years there is a regional city of culture which gives that city the opportunity to be the regional state focus for the arts. Funding is provided by local government and Art SA for this.

In relation to metropolitan venues, Arts SA provides funding to the Bakehouse, Higher Ground and Holden Street Theatres.

Helen Richardson suggested that the David Campbell Theatre in the closing Ross Smith Secondary School could be investigated as a new performance space.

AICSA also raised the issue of storage for companies within the Arts sector and Alex Reid agreed that this was a major issue and one that required on-going discussion.

AICSA raised the following question:

PRIVATE AND CORPORATE GIVING / SPONSORSHIP

Arts Industry Council raised the following question:

Given the rise in expectations for companies regarding private and corporate giving, the membership is interested in whether Arts SA has available research on the levels of private and corporate giving and sponsorship being achieved within the arts? ie. can it be demonstrated that increased sponsorship and giving programs are enabling companies to be less reliant on government funding.

Alex mentioned that Arts SA does not have any specific research on this topic but that Australian Business Arts Foundation has done research of this sector. Helen Richardson noted that sponsorships for Adelaide Festival and Fringe were continuing. AICSA will contact AbaF to clarify what research has occurred and what information is known.

The building industry was discussed and suggested that it could be a good sector to approach regarding future support for the arts, probably in a giving and community support context as opposed to sponsorship. Possible future collaboration.

AICSA raised the following question:

DISABILITY ACTION PLANS

Arts Industry Council raised the following question:

The membership is interested in Arts SA's expectations in relation to ongoing implementation of Disability Action Plans. Can you clarify Arts SA's position on this?

We discussed that the Cultural Ministers Council will be meeting on 9 October 2009 to consider a National Disability in the Arts Policy which would then form a national implementation body and disability action plans will be part of the implementation process. Outcomes or public papers from this will be forwarded by ArtsSA to AICSA as appropriate.

NEXT MEETING

The next meeting for Arts SA and AICSA was suggested for January 2010.