



Arts Industry Council
(South Australia) Inc

2004-2005 Budget Submission

Introduction

The increases in the past two budgets to fund major events such as – International Film Festival, Womad, Adelaide Festival and the Thinker's in Residence - are positive initiatives to ensure South Australia remains competitive in the national and international arts events calendar.

The members of the Arts Industry Council are gravely concerned that these increased budget allocations have, however, come at the expense of reductions to other areas of expenditure for the Arts.

In particular, the past two Arts Budgets have seen significant cuts to Arts SA's Industry Development project funds, including a reduction to the Health Promotions allocation. This has reduced the pool of money available as grants to individual artists, or for small to medium arts organisations to commission and present new work.

The Arts Industry Council does not understand why the Government has diminished its investment in the creation of new South Australian art work over the past two budget rounds, when this area of activity represents such a small part of the arts budget (currently approx 2%), but plays such a major role.

Without an increase to the pool of funds available for the production of new work there will be less art for people to see or participate in on a day to day week to week basis, and less South Australian arts product to showcase within our arts event calendar. This is of major concern to the members of the SA Arts Industry Council and the primary point we wish to make within this submission.

The key arguments for increases to the 2004-2005 budget in this submission are as follows:

- Increased funds for the production of new SA work (\$1.5 million)
- Myer Inquiry Report funding contribution required to secure maximum federal funding increase
- Regional facilities refurbishment (\$1.625 million)
- Facilities management (\$3m)



Deidre Williams
Chairperson
On behalf of the Arts Industry Council
November 2004

Discussion of Issues

1 Creative Capital: Investment in SA Art Product

Recent budget cycles have seen a decrease in the level of funds available to support South Australian artists in the creation of new and original art product. This situation has occurred as a result of the reduction of project funds within Arts SA's Industry Development program, that is available to artists or arts organisations for the creation or commissioning of new work (a decrease \$1.25m over the past two financial years). In addition, to this loss of funding, rising costs of production such as insurance, hire of equipment or venues, electricity, transport and advertising, for example, have impacted on the capacity of South Australia's small to medium arts organisations to commission new work.

At the Government's 2003 Arts Summit, key note speaker Professor David Throsby, Professor of Economics at Macquarie University and a renowned expert on the role of the arts in the economy, put forward a model of the arts which placed a high value on the creation of art as well as on the economic value of the arts.

He discussed the concept of "*cultural capital*", which has its rightful place alongside that of social and economic capital. His model was that of concentric circles, with creation of art by artists at the centre, the subsidised organisational infrastructure of the arts in the next circle, the non-subsidised arts entrepreneurs and businesses which facilitate the arts in the next circle, surrounded by audiences and the marketplace. This model of economic analysis illustrates why an informed and balanced approach to arts funding is crucial both for the sustainability of the cultural sector and as a 'best practice' model for public funding of the arts.

Two recent Australia Council studies examining the issues impacting on small to medium triennially funded theatre companies and youth theatre companies in Australia concisely illustrate the issues impacting on the ability of all the small to medium arts organisations to sustain past levels of original artistic output.

It is small to medium arts organisations such as these, that make up the arts research and development infrastructure in South Australia, and the major commissioners of new work by South Australian artists.

The Australia Council studies report that:

- Earned income is not increasing at the same rate as the increase in production costs and organisations, and given the resources they have available, are maximising earned income.
- If present trends continue the amount of new work being produced will decrease and/or production budgets will be cut with a resulting drop in quality.
- If the number and/or quality of artistic outputs fall, it is highly likely that falls will also occur in audiences, box office, sponsorship, national and international touring and other earned income. A spiral of decline may well commence.

**1 Creative Capital:
Investment in SA Art
Product**

An increased investment in SA art product would enable greater funds to be available to SA artists for the production of new work via the following programs

- Arts SA Industry Development project funds and SA Youth Arts Board project funds
- Arts Industry Development small to medium arts organisations funding for program activities including the youth theatre companies supported through the SA Youth Arts Board
- Lead agencies programs for commissioning of new work.

An increase of \$1.5m in the 2004-2005 budget is needed as a matter of urgency to restore past levels of investment in the creation of new South Australian arts product in order to ensure a sustainable and viable arts sector.

2 Myer Inquiry

The Federal Government's Myer Inquiry into the Contemporary Visual arts released in September 2002 is currently under negotiation with state and territory governments.

This report outlines a set of principles and makes 20 recommendations including details of increased funding to the sector of \$15 million. It is anticipated that this will be made up of a contribution of \$7 million from the federal government with an additional \$2 million to be allocated if the state and territory governments contribute a matching \$6 million.

It is crucial that opportunities to increase the funding base to this sector as a result of the Myer Inquiry are fully exploited by the South Australian Government. Sunrise industries in which the State can continue to have competitive advantages are knowledge based, and include arts and tourism, education, information technology and content creation. The contemporary visual arts and craft sector generates product that is significant to the tourism sector, via hundreds of galleries and retail outlets throughout the State, and value-adds to numerous tourism events and associated businesses

This sector also encompasses the artists and designers essential to the task of content creation necessary to underpin growth and export of product aligned to the information technology industry. The emergence of innovative arts enterprises needs to be supported through the development of the sector including support for incubators for the commercialisation of ideas. Areas of creative endeavour suited to commercialisation assistance include designer makers and creative content for multi-media, video and contemporary music.

The Arts Industry Council supports the Myer Inquiry Report recommendations, most particularly the need to increase funding levels available to support individual practitioners, contemporary visual arts and craft and design organisations and artist run enterprises.

We urge the Government to provide the funding required to attract the maximum leverage for additional federal funding for the contemporary visual arts and crafts sector in South Australia.

3 Regional Theatres

The four major regional performing arts centres built between 1980 and 1984 are arguably the Government's most significant cultural assets in the regions. Along with Her Majesty's and the Adelaide Festival Centre these regional centres make up the key State Government public performing arts facilities.

The regional theatres have been experiencing the highest levels of use for professional quality performance product since their inception. In addition, the community hiring rate is very high, with 60% of hire at the Helpmann Theatre at Mt Gambier being for community usage including schools performances. These centres also house visual art galleries and accommodate film, conference and community meeting facilities.

Apart from a small allocation of \$500,000 in the 2003-2004 arts budget to address urgent health and safety maintenance needs, these facilities have received only minor maintenance expenditure since being built some 20 years ago and are clearly showing evidence of neglect. It was of particular concern to the AIC that initial budgetary provision by the previous government for a staged refurbishment of the theatres was cut from the 2002/2003 and subsequent budgets.

This ongoing neglect of key regional arts facilities, in the light of the significant levels of capital investment in the city based arts facilities in recent years, raises questions of equity in how the Government is setting priorities for expenditure on the provision and maintenance of State arts facilities.

This is particularly relevant given that the four regional performing arts centres are major regional assets which collectively represent the bulk of State Government owned public performing arts facilities in South Australia.

The AIC urges the Government to commit additional funds as detailed below to a staged process of refurbishment to bring these four performing arts centres up to reasonable standards such as those maintained in Government owned metropolitan theatre facilities.

- 2004/2005 \$1.625 million
- 2005/2006 \$2 million
- 2006/2007 \$2 million
- 2007/2008 \$1.125 million

4 Increased expenditure for Facilities Management

The current level of funds available for State Government owned arts facilities for maintenance, minor works, security and cleaning of the 72 government owned facilities (which includes 30 heritage buildings) is substantially inadequate. There is a serious backlog in maintenance, mainly in areas which have OHS&W implications, or are Building Code compliance issues.

An extra \$3m is required to provide a more realistic facilities maintenance budget in order to meet OSH&W and Building Code compliance requirements