

**INQUIRY INTO INTEGRITY, EFFICACY AND VALUE FOR
MONEY OF NSW GOVERNMENT GRANT PROGRAMS**

Organisation: National Association for the Visual Arts (NAVA)

Date Received: 21 August 2020



The Director
Public Accountability Committee
Parliament House
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Re: Inquiry into the integrity, efficacy and value for money of NSW Government grant programs

The National Association for the Visual Arts leads advocacy, policy and action for an Australian contemporary arts sector that's ambitious and fair. Our community of over 50,000 Members, subscribers, friends and followers consists of artists, arts workers, arts organisations, and arts lovers including business and philanthropy.

We work hard to achieve recognition and respect for artists for their practice, for their work and for their rights. We do this because the voice of the artist offers Australia a deep perspective on the past, a vital perspective on today, and a compelling perspective on the future. We believe that the contemporary arts offer rigorous, ethical and valuable approaches to rethinking our personal, social, environmental and political priorities. Artists who are valued and respected can sustain the ambitious, adventurous careers that create the Australian culture. This is our focus.

Through the Code of Practice for the Professional Australian Visual Arts, Media, Craft and Design Sector, we set national best practice standards for the contemporary arts industry. NAVA is currently undertaking a major revision of the Code, working with academic, legal and industry partners as well as consulting widely all over Australia.

Best practice in the arts is being highlighted across Australia right now in response to COVID-19 and last summer's devastating fires, storms and floods. Alongside NAVA's work in these areas, we remain committed to our major revision work on the Code of Practice so that the visual arts, craft and design sector is best placed to thrive, both now and into the future.

The aim of this project is to create a twenty-first-century resource for an ambitious sector, by clarifying expectations and responsibilities on conducting business between artists, arts workers, galleries, organisations, agents, collectors, sellers, commissioners, government and other authoritative bodies.

As part of our sector-wide consultations, concerns have been raised about a number of funding programs at all levels of government including the NSW Government. These concerns include: public policy and investment has not kept pace with industry growth and diversification; there is a lack of consistency and transparency around funding decisions and increasingly; and a lack of funding support for advocacy and service organisations.

NAVA welcomes the opportunity to contribute to this inquiry.

The range and availability of NSW funding programs, including but not limited to:

- Discretionary grants funds
- Local government funding
- Arts funding

In 2016/17 NSW spent \$18 per capita, while Victoria spent \$22.90 and Queensland spent \$33.80. For every \$1 invested in arts and culture, \$1.88 is generated for the NSW economy. Yet the NSW Government's arts and cultural budget represents only 0.9% of the total NSW budget spend (on 2016/17 figures).

The NSW arts, screen and cultural industry contributes \$16.4bn to Gross State Product and employs over 118,000 full-time-equivalent workers. That's 3% of the entire state's economy. <https://www.create.nsw.gov.au/wp-content/uploads/2018/12/Economic-Value-of-Arts-Screen-and-Culture-2018-Report.pdf>

In 2018 Round 2 of the Create NSW Arts & Cultural Projects fund was announced after much concern from the NSW arts industry on the delay in this announcement (see Minister discretion below). While 222 applications were made to the fund with a combined value of \$8,296,017, only six projects were funded to a total of \$256,029. Success rates of 15-30% are typical of arts funding rounds, a grant round that can support only 2.7% of applicants places undue pressure on the entire sector.

Even though the NSW arts industry is the biggest in Australia, it has taken months for the NSW Government to announce how they will redress the impacts of COVID-19 on the NSW arts industry. Meanwhile, millions are being invested by states and territories across Australia.

The viability of artistic practice and touring beyond our cities is a major concern. Create NSW's \$100m Regional Cultural Fund invests in infrastructure, and we urge the NSW Government to make similarly ambitious investment in the creation and presentation of new work in our regions.

Low investment means our artists and organisations are neglected, especially regionally. NSW is the only state in Australia – and again, one of the only government arts agencies in the world – not to offer a competitive grants program dedicated to artists. Instead, artists are expected to compete with organisations and their bids for project or infrastructure funding. While only a small proportion of the arts ever receives government funding, those that do are able to take exciting new risks and reach new audiences. And that's something that enriches all of our lives.

Professional skills gaps and barriers to career advancement need to be redressed. This includes legal, financial, communications and management skills that practitioners need to orient and establish themselves in professional practice. An increase to degree fees in the arts and humanities will affect the NSW arts sector gravely. Funding support for advocacy and service organisations is now more important than ever.

NAVA Members have also raised concerns that the limited range and availability of NSW funding programs is creating a narrow and biased competitive market for grants that limits the creative scope and landscape that NSW could foster and grow; the impact of diminished funding on the morale of artists is devastating; and lengthy delays on funding announcements make it impossible to plan ambitiously.

The manner in which grants are determined including:

- Oversight of funding determinations
- Transparency of decision making under grants schemes
- The independence of the assessment process
- The role of Members of Parliament in proposing projects for funding
- The scope of Ministers' discretion in determining which projects are approved

Two instances of the Arts Minister diverting funding to projects not approved by the independent assessment process with detriment to the arts industry:

- For Round 2 of the Create NSW Arts & Cultural Projects fund mentioned above, documents shared under freedom of information show an independent panel recommended 17 projects involving hundreds of artists share a total budget of \$660,000. When these recommendations reached the Arts Minister's office, instead of approving them, he chose to fund only six projects a total of \$256,000. The \$404,000 stripped from the funding round was then directed towards a single Sydney Symphony Orchestra project which was not part of the independent assessment process (Sydney Symphony Orchestra subsequently returned the funds). Create NSW staff at the time expressed that this action would result in a loss of trust in the agency and independence of the peers who assessed the round, as well as concern that funding decisions are becoming politicised. As reported by Michaela Boland.
https://mobile.abc.net.au/news/2018-09-26/arts-groups-miss-out-as-minister-funds-special-project/10298452?pfmredir_sm

"Public investment has been taken away from artists and audiences across inner and Western Sydney and regional NSW, and instead it's gone towards some secret project that wasn't even disclosed through a journalist's FOI research. In fact, the Minister confirmed in Parliament after questioning this afternoon that that "special project" was the compensation of a colleague organisation for operational costs, and not an artistic project at all. Let's be clear: artists have earned this money they've earned it through the hard work it took to reach the professional standing that made them such outstanding applicants, and they've also earned it by putting hundreds of hours into participating in this highly competitive funding process. Taxpayers will rightly be wondering why public funds earned by artists have not ended up where the transparent process of peer review intended."

<https://visualarts.net.au/news-opinion/2018/nava-calls-return-artists-funds-politicisation-arts-funding-alarms-artists-and-industry-leaders/>

- NSW Arts Minister and Regional Development Minister co-approved 13 regional arts projects a seven-person panel deemed unworthy of funding. The projects, which received a share of \$3 million in funding, were all in seats held by either the Liberal Party or the Nationals when the decisions were made. Independent candidate for Tamworth and local councillor Mark Rodda said the funding process was unfair. "That's an appalling way to manage taxpayers' funds prior to an election," Mr Rodda said. "For those 13 lower-ranked projects to get the nod from the minister at the expense of other applications [means] projects that have a lot of merit like ours in Tamworth will miss out," he said.
https://mobile.abc.net.au/news/2019-03-14/nsw-ministers-accused-of-pork-barrelling-over-regional-arts-fund/10898154?nw_0

This is not transparent, independent or fair. Arts organisations put time and effort into their applications. The independent peers applied due diligence in assessing the applications and making their recommendations and the Minister should take the advice of these experts in order to have the trust of taxpayers.

Questions have been raised about selecting and appointing art form board members and the impact on industry best practice of independent assessment processes. When a minister chooses 10 “art form” boards, selects the chair of each one and works with that chair to appoint members, it is difficult for taxpayers to have confidence in the integrity of their decisions. Especially with arts projects and capital infrastructure requests now explicitly in the one funding pool, so there’s no longer any need for the minister to hide non-artistic grants. <https://www.theguardian.com/culture/2019/jul/04/who-has-the-right-to-decide-what-art-is-made-in-australia-apparently-not-artists>

Measures to ensure the integrity of grants schemes and public confidence in the allocation of public money.

Fairness in public investment shouldn’t depend on which electorate you live in. The people of NSW deserve to know where their money has gone, and why particularly those living in regional electorates who have not been favoured by selective political interference as discussed.

NAVA recommends the following measures to ensure the integrity of grants schemes and public confidence in the allocation of public money:

- Consistent methodology and full transparency in the decision making and grant approval process
- Rotational peer and expert assessment panels
- Respect for artists in the application process
- Provide clear and comparable results each round in a timely fashion
- Provide actionable feedback to unsuccessful applicants
- Ambitious investment in the NSW arts sector is crucial to sustaining artists’ careers, developing the contemporary arts sector, and advancing a healthy democracy.

Please do not hesitate to contact me for any further information I can provide.

Sincerely

Penelope Benton
Acting CEO