

Community and Public Sector Union

Kristin van Barneveld – Deputy National Secretary

Mr Harold Mitchell
Chair
Private Sector Support Review Team
Office for the Arts
Department of the Prime Minister and Cabinet

via email: artsreview@pmc.gov.au

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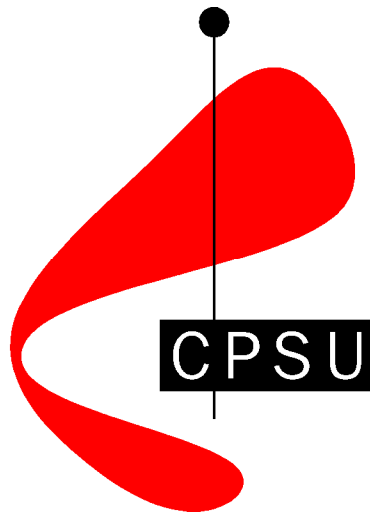
Dear Mr Mitchell

Please find attached a submission from the Community and Public Sector Union (PSU Group) to the Review of Private Sector Support for the Arts in Australia.

The contact person for this submission is Aidan Nash, Research Officer (03) 8620 6329.

Yours sincerely

Kristin van Barneveld
CPSU Deputy National Secretary



**CPSU (PSU Group) Submission:
Review of Private Sector Support for the
Arts in Australia**

July 2011

Introduction

The PSU Group of the Community and Public Sector Union (CPSU) is an active and progressive union with approximately 60,000 members. The CPSU represents workers in the Australian Public Service, the ACT and Northern Territory Public Services, the telecommunications sector, call centres, employment services and broadcasting. We are a national union with members in every state and territory.

The CPSU is the union that represents people who work in Australian National Cultural Institutions (ANCIs). These institutions include the following government agencies: Australia Council, Australian Film, Television and Radio School, Australian Institute of Aboriginal and Torres Strait Islander Studies, Australian National Maritime Museum, Australian War Memorial, Bundanoon Trust, Museum of Australian Democracy / Old Parliament House, National Archives of Australia, National Film and Sound Archive, National Gallery of Australia, National Library of Australia, National Museum of Australia, National Portrait Gallery, National Science and Technology Centre (Questacon), and Screen Australia. These institutions work to preserve and exhibit and educate about Australia's cultural heritage including our artistic heritage, as well as exhibiting artistic works from overseas.

Scope

The CPSU welcomes the opportunity to make a submission to the Review of Private Sector Support for the Arts in Australia. This submission does not directly address the key discussion questions but instead focuses on issues relating to ANCIs.

Although this Review is expressed to be a review of private sector support for 'the arts', it is clear from the discussion paper (particularly the references to cultural gifts) that it is intended to extend to cultural institutions. As this Review will feed into the National Cultural Policy, it is important that 'the arts' is not seen to be an interchangeable term with 'culture'.

Culture is more than just the arts: It is linked to national identity and it includes intangible and tangible heritage, human responses to environments, architecture and design, language and beliefs, games and sports.

Background - Funding Crisis for Cultural Institutions

Australia's cultural agencies continue to suffer from inadequate government funding. This is forcing these institutions to cut programs and staff. Successive budget cuts due to the efficiency dividend make this funding situation increasingly worse.

The efficiency dividend was introduced in the 1987-88 Budget as an annual 1.25% reduction of agencies' departmental funding.¹ Despite a 2010 election commitment to reduce the efficiency dividend to 1% from 1 July 2011, the government has increased it to 1.5 per cent in 2011-12 and 2012-13, before returning to 1.25 per cent for 2013-14 and 2014-15.²

¹ See John Wanna, Joanne Kelly and John Forster, *Managing Public Expenditure in Australia* (2000), p 207.

² Transcript: Doorstop Interview, Brisbane, Wayne Swan and Julia Gillard, 18 July 2010, <http://www.alp.org.au/federal-government/news/transcript--julia-gillard,-wayne-swan.->

The 2011 Finance *Report of the Review of the Measures of Agency Efficiency* recommended that the efficiency dividend should be applied on a portfolio level allowing bigger agencies to absorb the cuts to smaller agencies without the capacity to find further efficiencies³. This recommendation was adopted by the Government, but, due to Portfolio decisions, the efficiency dividend continues to be applied at the same rate of 1.25 per cent to all ANCIIs⁴.

A number of small cultural agencies have publicly outlined the impact of the efficiency dividend upon their operations. The ongoing effect is clear. In 2008, many cultural agencies provided detailed information to the 2008 Joint Committee of Public Accounts and Audit Inquiry into the effects of the ongoing efficiency dividend on smaller public sector agencies. Nearly three years on, during the 2011 Senate Finance and Public Administration Legislation Committee Estimates hearings, many cultural agencies outlined cuts to staff and services that are being, or have been made due to budget pressures. For example the National Gallery stated that approximately 8 per cent of jobs would be cut, the number of exhibitions will be reduced from twelve to five and travelling exhibitions to regional, rural and remote Australia will only occur where specific funding for them is received⁵.

In addition to reductions in staff and services, there are currently exhibition and preservation space shortages at the National Archives, National Film and Sound Archives and the National Library which will require additional funding to be overcome. The importance of ensuring that the ever increasing volume of Government records archives is publicly maintained and accessible (National Archives), and the record of Australian life is collected and publicly accessible (National Library), to all Australians does not diminish because the public funds are not there. Sadly in some cases, this work simply does not get done.

The Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) which has the third highest proportion of Aboriginal and Torres Strait Islander employees in the APS is in danger of losing 30 per cent of staff due to the end of its digitisation program funding. The cessation of this program funding will prevent the immediate and ongoing preservation of important items of Aboriginal and Torres Strait Islander heritage held by AIATSIS. This will also have a significant detrimental impact on the availability of information to those in remote and regional communities and to those conducting important research.

[doorstop-in/](#); Media release by the Hon Penny Wong, "Driving Efficiencies in Government", 21 April 2011, http://www.financeminister.gov.au/media/2011/mr_642011.html

³ Department of Finance and Deregulations, Report of the Review of Measures of Agency Efficiency, March 2011, http://www.finance.gov.au/publications/measures_of_agency_efficiency/docs/measures_of_a_agency_efficiency.pdf

⁴ Hansard, Finance and Public Administration Legislation Committee Estimates (24 May 2011) , pp 69, 88, see also Portfolio Budget Statements 2011-12, Budget Related Paper No.1.15A ,Prime Minister and Cabinet Portfolio; Portfolio Budget Statements 2011-12, Budget Related Paper No. 1.14, Innovation, Industry, Science and Research Portfolio

⁵ Hansard, Finance and Public Administration Legislation Committee Estimates (24 May 2011), pp 86-87.

Encouraging Private Sector Support

There are obvious benefits from private sector support of ANCI, both for the institutions themselves, as well as for the general public. Donations of cultural goods provide valuable additions to the collections of these institutions. In return, ANCI ensure that these cultural items are preserved and made available for public display. With additional funding, more of Australia's cultural heritage can be preserved exhibited and made accessible to more Australians, particularly in regional Australia.

Cultural gift giving should be more widely promoted by the Government. There are various measures that can be taken by the Government to encourage this. For example, a website could be established as a central portal which contains profiles of ANCI and the treasures that they hold. The portal could be used to encourage donations.

Despite many arts support programs now being described as 'cultural programs' (for example Australia Cultural Fund), the focus of these programs remains primarily on facilitating support for the Arts. More needs to be done to promote the application of these programs to National Cultural Institutions. Culture has an historical aspect which needs to be promoted so that Australia's historical and artistic heritage is preserved for future generations.

The Cultural Gifts Program provides tax deductions for donations of culturally significant items to public galleries. This could be expanded to included deductions for donations which aid the preservation and display of these items such as digitisation programs, or building dedicated gallery spaces which will be maintained and owned by the people of Australia.

Recommendation
<ul style="list-style-type: none">• Tax deductible cultural gift giving should be more widely promoted by the Government.

Limits to Private Sector Support

While private sector support should be encouraged to allow ANCI to expand and develop new capabilities, it should not, and must not, be a substitute for full Government funding for the core business of ANCI.

Australia's important cultural institutions should not have to rely on private sector funding simply to maintain their current level of services and programs. Many of the ANCI are established by legislation which mandates their functions⁶. As government agencies, they must be properly and publicly funded to carry out these legislated functions. The National Museum and the Australia Council both mentioned during the May 2011 Senate Finance and Public Administration Legislation Committee Estimates hearings that they have had to look to private sector funding as an alternative to cutting programs⁷. These institutions should not be sent begging for money on behalf of the people of Australia that should be provided by the Government.

⁶ See for example the *Australian Institute for Aboriginal and Torres Strait Islander Act 1989*, *National Library Act 1960*, *National Gallery Act 1975*.

⁷ Hansard, Finance and Public Administration Legislation Committee Estimates (24 May 2011), pp 73,81.

Regardless, there are limits to the efficacy of private sector funding which would prevent it from replacing government funding:

- The factors that drive people to donate are complicated and varied, and often rely on factors such as self interest or personal identification with a cause⁸. This means that the agencies that receive private sector support may not be the same agencies that need this support the most. It is important that funding for these organisations is not left to the whims of the private sector.
- Private sector support is generally short term and/or one off, unreliable and can be affected by economic cycles. In contrast, the services provided by ANCI's are integral to Australia's culture. These agencies need guaranteed adequate public funding to ensure that Australia's art and culture is preserved, staff are not overworked, and exhibitions continue and are able to travel to regional areas.
- In addition, private sector funding is not appropriate for some ANCI's, particularly their core business. For example, the National Archives, and the Australian War Memorial hold the records of the Commonwealth Government. The public may question the integrity of these records – this essential evidence of Government action – if archival core businesses were dependant on private sector funding .

Further, there has been an increasing temptation of ANCI's to address funding shortfalls by supplementing paid employment with volunteers. This is not acceptable and the core functions of ANCI's must be performed by paid employees. Volunteers can and do play important roles particularly in public interface, but often have limited training and skills and must not be used to replace ongoing employees or to undertake the core business of these institutions.

Recommendations
<ul style="list-style-type: none">• Private Sector support must not replace public funding for appropriate staffing and program delivery of ANCI's to fulfil legislated public functions for the benefit of all Australians.• Volunteers must not replace ongoing employees to undertake the core business of ANCI's.

Need for Full Government Support

If Australia's art and culture is important to Government, and by extension, the people of Australia, then the Government should lead the way by adequately funding the cultural institutions that are government agencies.

A first step towards adequate funding is to ensure that the already stretched budgets of these agencies are not cut any further. The efficiency dividend should cease. After nearly 24 years of the efficiency dividend, there is no more 'fat' to trim. ANCI's now have to cut jobs and services to accommodate their diminished budgets.

The forward estimates in the 2011-12 portfolio budget statements for these agencies show that the efficiency dividend has been factored into the budgets of these

⁸ Department of Family and Community Services 'Giving Australia: Research on Philanthropy in Australia Report, 2005, pp 30-35.

agencies until 2014-15 (which is the end of this current forecast period)⁹. These ongoing cuts should be restored as part of the 2012-13 Federal Budget.

Additional government funding should be provided to ANCIIs which do not currently have the resources to carry out their core activities. This includes for example, the looming storage space shortages at the National Library and the National Archives as well as the AIATSIS digitisation program.

It is important that this review of ways to encourage private sector support for the arts is not an excuse to allow the Government to divert public funds away from ANCIIs and not provide adequate public funding for the core businesses of these institutions.

The CPSU along with the experienced and talented employees of ANCIIs, has maintained an active campaign for adequate public funding for ANCIIs. As such the CPSU and its members are in a good position to provide input into the development of the National Cultural Policy. It is vital that the CPSU be consulted about the development of the National Cultural Policy to ensure the best outcomes for ANCIIs and the people of Australia.

Recommendations
<ul style="list-style-type: none">• That the efficiency dividend should no longer be applied to ANCIIs.• Additional Government funding is provided to cultural agencies that currently lack the resources to fully carry out their legislated core functions.• That the CPSU and its members are consulted during the development of the National Cultural Policy.

⁹ Portfolio Budget Statements 2011-12, Budget Related Paper No.1.15A ,Prime Minister and Cabinet Portfolio; Portfolio Budget Statements 2011-12, Budget Related Paper No. 1.14, Innovation, Industry, Science and Research Portfolio