
ArtsPay.

**THE ArtsPay
Foundation**

Turning Point?

Arts funding in Australia
today, and tomorrow.



The ArtsPay Foundation acknowledges that we work on the land of First Nations people, and we pay our respects to Elders past and present.

We commit to working with First Nations people to ensure the oldest living culture on earth has a vibrant future.

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A Turning Point?

In March 2020, with the entire country in lockdown, Australia's arts and cultural sectors ground to a halt. Venues were closed, performances, gigs and exhibitions were cancelled, and hundreds of thousands of Australia's artists and arts workers had their careers and livelihoods thrown into crisis.

Of course, the arts was not the only sector hit hard by COVID. But a combination of years of policy neglect, reductions in Commonwealth government funding, coupled with a lack of access for many arts workers to JobKeeper or JobSeeker, meant the sector was hit harder than many others.

And all this happened at a time when Australians in lockdown were turning to arts and culture like never before.

Eventually, some support did come, with state, territory and Commonwealth Government support arriving in the form of hardship grants and sector recovery initiatives. The philanthropic sector also stepped in. But these were always intended as short-term initiatives to mitigate the worst of the crisis, and much of that additional funding has now been withdrawn.

Unfortunately, the crisis isn't over.

The precarious situation that the arts finds itself in as a consequence of COVID has, in many ways, simply magnified the precarity that has existed in the arts for years. Chronic underfunding is not new. Low wages are not new. Precarious working conditions are not new. Policy neglect is not new. These issues have plagued the arts for decades.

The sad truth is that for many artists and arts organisations, the recovery from COVID may simply mean a return to that same familiar precarity: the never-ending cycle of competition for a limited pool of project funding, endless application writing and project acquittals with little opportunity to exit the cycle of instability and earn a stable, living wage, or achieve organisational sustainability.

However, we have an opportunity to change that.

Rather than returning to the same funding structures artists and arts organisations have been relying on for decades, we could take the lessons we have learnt from the pandemic and do a thorough rethink of how we value the arts - and how we support it - and make the pandemic a turning point in the way we fund the arts in Australia. This is the challenge - and the opportunity - laid out in this report.

Much has already been written about the impact of the pandemic on Australia's arts and cultural sectors and the factors that led to the current crisis. Major contributions from Ben Eltham and Alison Pennington¹, Benjamin Law², A New Approach³, Katherine Power,⁴ Wesley Enoch⁵, Jo Caust⁶, John Daley⁷ and many others have brought significant public attention to the dire circumstances that the arts are now in.

This report seeks to add to the already extensive (and excellent) body of work by drawing on the expertise and lived experiences of artists, arts administrators and arts funders interviewed over a period of six months for this project, which was generously funded by the Australia Council for the Arts.

In total, more than 35 individuals were interviewed. This includes First Nations artists, artists of colour and artists with disability. In its preparation we have strived to be inclusive of as many views as possible. Desktop research was also supported by an independent consultant and researcher with expertise in social enterprise in the arts.

This research and consultation was undertaken by ArtsPay, a new for-purpose payment provider which uses the profits from transaction fees to support the arts, via a charitable foundation, The ArtsPay Foundation.

The purpose of this research and consultation is to inform the development of The ArtsPay Foundation's strategic plan, and ultimately its governance and grantmaking structures, to ensure it meets the needs of the arts community and can have an impact as quickly as possible.

Interviewees who took part in this project were posed a number of broad questions:

1. What are the major issues with arts funding in Australia today?
2. What are the barriers to accessing that funding?

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3. What role could The ArtsPay Foundation play in filling these gaps and breaking down these barriers?

Overwhelmingly, three key themes emerged. They are:

4. It is near impossible to make a living as an artist in Australia.
5. Small arts organisations constantly struggle to survive.
6. Some groups are excluded from arts funding entirely.

This report delves into each of these issues and what some of the solutions might be. The views contained herein are drawn from interviewees and do not necessarily reflect the views of ArtsPay or The ArtsPay Foundation. Where a quote is referenced, it is publicly available, where it is not, it is drawn from the interviews and kept anonymous to protect the confidentiality of the speaker.

Over time, The ArtsPay Foundation has the potential to become a major new source of support for artists and small arts organisations, helping to mitigate some of the issues outlined in this paper, make COVID a turning point in the way we fund arts in Australia, and help ensure we have a vibrant, thriving arts sector for generations to come.

We would like to thank those who have generously contributed to this project and to building The ArtsPay Foundation.

If you would like to find out more, or get involved, please contact hello@artspay.com.

Why Value The Arts?

The arts are widely recognised to have positive benefits for the wellbeing of individuals, communities, our society and economy.

According to Australia Council Research, 84% of Australians believe that arts and culture have a positive impact in their lives, and more than half say the arts have a big or very big impact on their happiness.¹

Research by A New Approach (ANA) stated that,

“‘Middle Australians’ held a strong belief that Australia should support the arts due to the public value the arts and culture provide. Further, while not all art forms appeal to all people, 98 per cent of Australians engaged with the arts in some form”.²

When we were all locked up in our houses during the various lockdowns, Australians relied on the arts to keep us sane, and there is significant evidence of the positive benefits for individuals’ mental health and wellbeing.³ As Benjamin Law has said, “in our darkest hours, art keeps us sane, lights the dark and ensures we stay human”.⁴

The arts are also critical for our social wellbeing. Research shows that during major health emergencies or natural disasters, as we have seen throughout the pandemic, bushfires and recent floods, arts and cultural activities, the arts,

“Reconnect affected communities, reduce feelings of isolation, strengthen people’s connection to place, provide opportunities for reflection and commemoration, and foster a shared sense of hope and optimism”.⁵

The arts are also important for our economy. According to research by Ben Eltham and Alison Pennington,

“Despite years of significant funding pressures and policy neglect, the arts and entertainment sector contributed \$17 billion in GDP to the Australian economy in 2018-19.”⁶

Other estimates of the broader contribution of cultural and creative sectors suggest that contribution was \$112 billion in 2016-17.⁷

The arts and entertainment sector also employs around 230,000 people,

“More people work in broad cultural industries (over 350,000) than many other areas of the economy that are receiving greater policy support, including aviation (40,500) and coal mining (48,900).”⁸

Given the importance of the arts to so many aspects of our individual and collective wellbeing, and the strong community support for a healthy arts and cultural sector, how have we, as a nation, let it fall into such a state of crisis?

Arts Funding In Australia Today

The arts in Australia are funded through grant programs administered by the Commonwealth, state and local governments, private philanthropy and direct fundraising.

Government Support

All levels of government make contributions to the arts, contributing “more than \$6.86 billion of public funds to arts and culture each year”.⁹ However, over the last decade,

that funding has been in decline. According to A New Approach, funding has decreased by 6.9% per capita in the period between 2007-08 and 2019-20.¹⁰

WHAT WORKS?

ArtStart

The Australia Council started the ArtStart program in 2009 to provide financial assistance for young artists wanting to establish a career as a professional artist

Over the life of the project, the Australia Council awarded just over 1,000 grants to emerging artists. ArtStart funding could be used for services, resources, skills development and equipment to help establish an income-generating career in the artform they had studied. To be eligible, applicants had to be committed to building a career as a professional writer, visual, hybrid or performing artist or a creative practitioner working in community arts or cultural development. They also needed to present a viable plan outlining their proposed ArtStart activities, demonstrate their artistic potential and display a commitment to their chosen field.

Feedback is that the program was extremely useful in helping build a sustainable career as an artists. ArtsStart however has now been discontinued.

By international standards, Australia ranks low in its level of funding for the arts and culture, now ranking 23 out of 34 OECD countries in public support for the arts and culture - investing the equivalent of just 0.9% of GDP compared with the OECD average of 1.23%.¹¹

The Commonwealth Government supports creative and cultural industries through the Office for the Arts and through the Australia Council.

The Office for the Arts develops policies and programs to support the arts and culture, while the Australia Council is the principal arts investment, advisory and development body, supporting “all facets of the creative process” and investing in “activity that directly and powerfully contributes to Australia’s creative and cultural industries”.¹²

The majority of the funding from the Australia Council - around three fifths - goes to a group of Major Performing Arts companies - large arts organisations including Opera Australia and the Australian Ballet.

By contrast, only around a quarter of Australia Council funding goes to the so-called 'small-to-medium' sector - despite the larger number of organisations of this size and the larger number of people employed in these organisations.

“The Australia Council’s ongoing funding to the small-to-medium sector remains static at around \$28 million per year, and the number of Australia Council-funded small-to-medium organisations has fallen from 147 in 2015 to 95 this year[2021]”.¹³

Australia Council grants to individual artists comprise around 12% or \$23 million of the Council’s grants budget, based on 2018-19 figures.

As the Australia Council acknowledges, there is a huge level of “unfunded excellence”¹⁴ in Australia’s arts sector, with many high-quality artists, organisations and projects unable to access Commonwealth support due to a lack of available funding.

Whilst there is generally a positive view of the work of the Australia Council, a number of issues come up consistently in this consultation. The primary issue raised by interviewees is the increasing concentration of Commonwealth funding in large organisations.

“Smaller companies and independents have struggled - very competitive to go for funding - used to get one grant a year now every 3 or 4 years. Definitely shifted, less and less money and it’s being felt.”

Another issue raised was the lack of support for small for-profit organisations in certain sectors.

“The music sector is pretty much commercially run - support is needed for small for profit orgs and collectives despite their for profit nature.”

State and territory governments also have responsibility for a range of arts and cultural policies and programs, with each jurisdiction supporting its own arts and cultural agencies or departments, galleries and libraries.

In each state, these policies are underpinned by state-wide arts and cultural policies.

Local governments also play an important role in community art. Research by A New Approach found that from 2007-08 to 2017-18 there has been a significant increase in the important role of local government to arts and culture.

“In that period, local government per capita expenditure has increased by 11%, while state and territory government expenditure has increased by 3.9%. The federal government is committing 18.9% less expenditure per capita to culture compared with a decade ago.”¹⁵

However, feedback from some interviewees was that some local council application processes - whilst targeted at smaller organisations and community groups and generally for smaller quantities of funding - are administratively onerous.

“Local government council grants are onerous - the acquittal made me hate them.”

Private Sector Support

Private sector support for the arts from individuals and private business is substantial. Private funding for the arts is estimated to have grown “from \$221.1 million in 2009-10 to between \$268.5 million and \$279.8 million in 2015-16”.¹⁶

The Australian government’s Creative Partnerships Australia is one vehicle for private giving to the arts. In 2020/21, more than \$2.2 million was raised by 73 fundraisers through their giving programs, and with over \$1.25 million of matched funding from Creative Partnerships, more than \$3.47 million was invested into the arts sector through these programs.

Philanthropic support varies from foundation to foundation - from small hardship grants to large, multi-year fellowships. While independent artists are supported by the philanthropic sector, current charity law makes it more difficult to make grants to individuals than to organisations.

“By far, the majority goes to organisations not individuals.”

WHAT WORKS?

Creative Victoria - Creators Fund

A key initiative of the Victorian Government’s \$115m Creative State strategy, Creators Fund touts that it offers independent artists “one of the most important and scarce creative resources – time – to research, innovate and take risks” (Creative Victoria 2012). The scheme is considered a success by recipients and Creative Victoria and will continue as part of the Creative State 2025 strategy (Creative Victoria 2012). It is open to individual creative practitioners and collectives across all disciplines—including screen, fashion, design, digital games, visual arts, literature, dance, circus, cabaret, music, theatre, multidisciplinary and experimental work—and at all career stages. The program’s aim is to financially support artists and creatives for up to six months to undertake a sustained period of intensive research and development or practice based experimentation. Applications can be for solo activity or activity undertaken by small creative collectives/collaborations. Applicants can request between \$20,000 and \$50,000 plus access costs, for a funded period of up to 6 months of activity.

Surprisingly, a number of interviewees indicated that in general, they feel that private sector support is harder to access and there is less publicly available information on opportunities than with government grants.

“I don’t have much interaction with philanthropists - due to class barriers - I mostly work with government funding. Feels exclusive.”

Some individuals also said they felt the philanthropic sector lacked insights into particular cultural groups.

“There is a lack of cultural competency within philanthropics to offer targeted support in the First Nations space.”

However, many artists who do interact with philanthropic organisations find the experience positive.

“There is nothing better than a tap on the shoulder from Myer. Their fellowships are the best thing they do. They are truly transformative.”

While the philanthropic sector cannot - and should not - substitute for a properly funded arts sector, its role in the arts is undoubtedly significant, with many independent artists and organisations relying on its support for survival. This perhaps more so in the arts than many other sectors of our economy.

The Crisis Of COVID

According to the Australian Bureau of Statistics, the arts industry was one of the sectors hit hardest by COVID, lockdowns and the economic recession.¹⁷

People employed in the arts sector have been disproportionately affected by loss or reduction of employment, reduced income and the temporary and permanent closures of venues, galleries, museums and public spaces resulting from the pandemic.

“Overnight, I had 18 shows cancelled - more than a year of work. Just like that.”

As early as March 2020, it was estimated that at least 255,000 events had been cancelled across Australia, with an estimated combined income loss of \$280 million.¹⁸

Two years later, it is almost impossible to overstate the devastation that has been wrought on the sector.

It was not only the direct impact on artists' income from the arts, but also the closure of many of the venues and businesses where they work second or third jobs, including universities, arts schools and the hospitality industry.

For example,

“Dance schools have been hit hard by COVID and have shut down - they actually support a lot of the industry as independents go in and teach at these institutions. The stability of income has been impacted by this as well.”

WHAT WORKS?

Support Act: COVID-19 Crisis Relief Grants for live performing arts workers

Support Act is a charity that provides non-competitive crisis relief to the music industry. Thanks to a significant cash injection of \$20 million from the Australian Government through the Office for the Arts, in 2021 Support Act was able to offer “Covid-19 Crisis Relief Grants” to not just music workers, but an expanded definition of performing arts workers that included theatre, circus and dance. Artist managers, crew, performing arts and music workers adversely affected by the COVID-19 pandemic could apply for one-off cash grants valued at \$2,000 for individuals and \$2,700 for families with dependent children to cover medical, living, maintenance expenses and other bills in 202. To be eligible applicants had to be Australian citizens, permanent residents, or have a valid working visa; provide proof of three years of professional practice in the performing arts; name three professional references, as well as provide evidence that household expenses are greater than applicants income.

Even following the lifting of certain restrictions, many venues were unable to return to their pre-pandemic capacity for months after other businesses returned to normal density limits.

It is also clear that certain groups were impacted more significantly than others.

“It is incorrect to call COVID a great ‘leveller’ - it compounded already existing disadvantage.”

“Communities of colour are always working in scarcity and struggling - COVID only exacerbates.”

“People with disabilities were disproportionately impacted because of lack of access to services and support - nobody was there for them - because of the pandemic.”

WHAT WORKS?

National Assistance Program for the Arts

In May 2020, philanthropic groups— Philanthropy Australia’s Arts Funding Network in partnership with Creative Partnerships Australian and the Australian Cultural Fund— raised \$1.5 million to support the COVID-19 affected arts sector. This initiative was designed as a one-off exercise to coordinate the distribution of philanthropic funds from around the country into the arts sector. One-off grants of \$1000 were distributed to 1400 artists and artworkers and assessed by the alumni of the Sidney Myer Creative Fellowship program by need, experience and talent. The grant opened on the 7th of May and closed on the 10th of May. Due to the quick-response nature of the grant, applicants needed to provide online evidence (URL) of an active professional practice which could include a link to a professional website, LinkedIn page, or other web-based evidence of an artistic career. Eligibility requirements included, not being able to access Jobkeeper.

Despite the dire situation caused by the pandemic, participants in the interviews undertaken for this report were critical of the Commonwealth government’s response to the crisis as being too slow and too little when it did arrive.

“The federal government has not adequately responded to the scale and severity of the COVID-19 crisis in the arts & entertainment sector.”¹⁹

“RISE and other sector support were welcomed but it is a bump and won’t go anywhere near what is needed to get the sector back on its feet.”

“RISE was overly bureaucratic, the application processes were long and inaccessible and onerous and in the end, lots of funding went to big organisations anyway. Very little to independents.”

“Coronavirus-specific funding didn’t start to be distributed by the government until November though its RISE program - eight months after the calamity hit. A very long

time for artists and arts organisations to survive without assistance.”²⁰

The struggle for artistic survival that has been caused by COVID has real consequences for artists’ livelihoods, and also their capacity to create.

“In a time of crisis like this, it is difficult to think broadly and ambitiously about solutions for the arts.”

“How long we will be in this crisis mode where we can’t do creative thinking. The flow of being an artist, of exhibiting has stopped. COVID is a major gap in people’s careers that needs big support.”

The devastation that has been wrought on the arts by the pandemic will take years to recover from. However, as mentioned above, many of the issues brought to light during the pandemic did not begin with the virus. Indeed, many have plagued the sector for decades. These major structural issues will need to be addressed if we are to rebuild a sector that is more stable and more sustainable for organisations and individual artists.

“COVID has been hell, obviously, but if there is a silver lining then it is that COVID might just be an opportunity to do things differently. Or will we return to the old normal?”

Structural Issues With Australia's Arts Funding

Throughout the consultation for this report, three clear issues emerged about the current state of arts funding in Australia. What was most surprising was the consistency with which these issues were raised, and the fact that they have been raised consistently for decades. That they continue to plague the sector shows the need for new, innovative thinking about how we fund the arts.

1. It is near impossible to make a living as an artist

“Without a doubt, the biggest problem in the arts is secure work.”

This was unanimously agreed amongst all of the individuals interviewed for this project. It is considered true no matter what stage of your career, or your art form.

“In the arts in Australia, precarious employment, unpaid work and short-lived careers are the norm.”

“Artists in this country are used to living one paycheck away from poverty.”²¹

A 2017 Australia Council survey of more than 1,000 artists found only 19% of professional artists in Australia work in secure, salaried employment. This is consistent across all artforms.²²

For example, a 2020 survey from the Australian Society of Authors reported that around half of authors made less than \$2,000 per year - and 31% of authors said their income had taken a hit due to the pandemic.²³

The same issues plague other artforms, including music, for example,

“[One] study shows the vast majority of Australian musicians undertake a portfolio career which encompasses concurrent and often impermanent roles. This is not a new phenomenon, but in recent decades there have been major shifts in how music is made, paid for and consumed.”²⁴

Furthermore, across all art forms,

“[p]recarious work is exploding. Most arts and entertainment workers in informal jobs (including irregular contracts, and cash-in-hand ‘gig’ work), according to the ABS data. The informal, deregulated nature of employment in the arts means incomes are low and often insufficient to meet living costs.”²⁵

According to research by Katherine Power,

“Some 81% of artists work as freelancers or on a self-employed basis, without access to sick leave or other entitlements many Australians take for granted.”²⁶

Interviewees agreed,

“You need a back catalogue of Harry Potter in order to make a living. Even Zadie Smith still has to work as a lecturer.”

“There is a real gap in directly funding creators - the greatest gift is the time to write - we need a living wage.”

This means that artists are forced to work second and third jobs in order to earn a living, or take the decision to leave the arts entirely.

This is especially true when decisions about raising a family and buying a house become important.

“As artists get older, it becomes a choice about whether to keep making art, or making a proper living.”

This means that the arts become the domain of a wealthy elite, who can afford to live without earning a decent wage.

“Without a living wage, writing becomes the domain of the privileged.”

The inability for artists to earn a living wage is ingrained in the funding system for the arts - the majority of which are project grants based on specific outcomes rather than payment for time spent working.

“As an artist, project funding is a mess. If you keep spinning that wheel you will lose your mind.”

“One off grants are good, but to make world class work, artists need sustained support.”

There are also legal barriers to funding individuals. Current charity law requires that Private Ancillary Funds - one vehicle for private giving - only give to organisations with Donor Gift Recipient (DGR) status. This acts as a barrier to those donors providing funding to individual artists.

“By far the biggest amount of funding goes to orgs not to individuals but this needs to change. There is a real need for funding individuals”.

“Because fellowships etc are so rare, all grants programs are oversubscribed and inundated with apps.”

There is also a view that many funding opportunities lack proper information or transparency,

“Artists feel there is a lack of transparency about how funding is doled out. There are some artists who know how the grant game works and others who perceive it as never supporting them.”

2. Small arts organisations are constantly struggling

Many interviewees raised the insufficient quantity of funding for small arts organisations as a major structural issue in arts funding in Australia, and the impact this lack of funding has on the artists they support, and their staff, many of whom are artists themselves.

“The way we fund the small to medium sector simply doesn’t pay for the work we produce.”

“There is not enough funding for core expenses - just keeping the lights on.”

“Philanthropy wants to only pay for projects too - not core operational funding.”

“Project funding is so short term - just a year - and you spend more time administering the grant rather than doing the work.”

As mentioned above, currently, Commonwealth Government funding is overwhelmingly directed towards large organisations. Around three fifths of Australia Council funding goes to the ‘Major Performing Arts Organisations’, with only around a quarter of its funding going to the small to medium sector.²⁷

When coupled with the reduction in overall funding from the Commonwealth, this means that,

“[t]he diminishing pool of available public arts funds has increasingly been directed away from areas of greatest need, such as grassroots arts organisations and independent artists.”²⁸

According to Ben Eltham,

“The dilemma is made even more painful by the fact that the smaller companies...have double the audience of the majors and produce around four times as much work each year.”²⁹

What this means practically is that an enormous amount of time and energy which could be spent making art, is instead used chasing short-term, project based grant funding from government or philanthropic funding bodies. Ongoing sustainability is never really possible in such circumstances.

“How long will we be forced to exist in this crisis mode?”

Moreover, the structure of project funding means a huge amount of work goes unpaid.

“Because of how project grants are made, we can’t get paid to do creative thinking.”

“For small to medium orgs, we can only get funding for an idea that we have already developed. Creative development is the hardest thing to get funding for.”

It is clear from our consultation that the current structure of project based funding for small arts organisations is not providing what’s necessary for organisational sustainability.

3. Many groups are missing out entirely

Overwhelmingly, interviewees made clear their view that grant funding, from both public and private sources, is inaccessible to many groups for a range of different reasons. According to the Australia Council, there is,

“No doubt that we have not achieved equity in our arts. Australia’s arts and culture do not yet reflect the diversity of our people.”

What this means is that the arts continue to reflect privilege.

“I sit on many panels and the work that is consistently superb is by white men - because they have had the class, gender and race privilege to do a law degree, in order to buy a house, to not get kicked out by the landlord and write superb novels.”

One exclusionary issue raised by interviewees was the overly onerous nature of many application processes. There is a view that the administrative burden placed on grant applicants is too high, with lengthy application processes that are largely unpaid and extensive reporting requirements. While it is understood that there is a need for such processes, almost universally it is agreed that they are overly onerous.

These processes also act as barriers to certain groups, including people with disability, people from non-English speaking backgrounds, and those from low socio-economic backgrounds.

Many interviewees highlighted racial, cultural, gender and class barriers to access.

“Why do only white people get to be artists while people of colour are Uber drivers and delivery drivers?”

“Communities of colour are always working in scarcity and struggling.”

People with disability are also consistently excluded from participation in the arts.

“Diversity means not just inclusion of people with physical disabilities - people with intellectual disabilities, blind and deaf people are usually excluded.”

“There’s a willingness to address access and inclusion but often there aren’t resources or time. It is very expensive. That is changing in the funding system - there is an awareness of those costs.”

“What’s missing is disruption of power initiatives aimed at changing dynamics and underrepresentation of marginalised/diverse communities.”

A Future Vision?

Many individuals who participated in this project highlighted the need for a new vision for arts and culture in Australia to help drive policy and funding decisions across the private and public grantmaking ecosystem.

After three difficult years and a decade of no real policy direction for the arts, as one interviewee put it,

“It’s time to ask the big questions.
It’s time for radical reinvention!”

We need to ask,

“What does a thriving healthy,
diverse, vibrant art sector look like?”

A lot has been written about the need for a comprehensive new cultural plan, and the new Labor Government has committed to developing one, following the recommendations of the Standing Committee Report *Sculpting a National Cultural Plan: Igniting a post-COVID economy for the arts: Inquiry into Australia’s creative and cultural industries and institutions*.

Despite widespread support for a comprehensive rethink of arts funding and policy, little detail has been developed and there are still divergent views on what shape that plan should take, or what should be included.

WHAT WORKS?

Aphids No Contest Art Prize

In 2020, Aphids - an art collective and experimental organisation - offered the ‘No Contest Art Prize’ to ten Victorian based feminist artists with \$1000 each to spend some time with an experimental Idea. The prize encouraged artists making new work especially non-binary folk, First Nations people, people of colour, queer, trans, and artists living with a disability to apply. It involved no peer assessment. Instead, winners were pulled from a hat. The prize opened via a simple entry form on 4th of November and closed the 15th of November 2020. It was advertised on Instagram, Facebook and on the organisations website. In 2021 they offered the No Contest Art Prize to three Australian based collectives with funding of \$5000 each.

For example, A New Approach suggests the new plan should include:

- “A bold vision designed to engage the imagination of a wide range of a Plan’s stakeholders
- An overview of the current context, showing why a Plan is necessary
- A demonstration of what the future will look like with and without the successful implementation of a Plan
- A framework showing how stakeholders of a Plan will work together

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- A series of themes or focal areas that should be addressed in order to achieve the Plan’s goals, and a framework for how success will be measured.”³⁰

Other commentators have laid out the challenges differently:

“We need a cultural policy vision that recognises the full role that art and culture play in an economically complex, socially pluralist Australia. This will not come from importing pie-charts of happiness, but from rethinking culture’s place in contemporary democracy. It does not mean jettisoning economic arguments. It means challenging what governments think the ‘economy’ is. Today, the explosion of heterodox economic approaches - of ‘doughnut’ pictograms, foundational models, care models, Green New Deals, UBI and UBS guarantees, First Nations concerns and well-being indices - are doing exactly this. These are the changes happening around art and culture right now. The sector should embrace them.”³¹

Whilst the development of the cultural plan will be a significant challenge for the incoming government, in the course of the interviews for this project, a number of key themes emerged. They were:

- Australian governments have neglected the arts and this needs to change. We need to value the contribution of the arts across our society.
- Project based funding does not deliver proper wages for independent artists. Small and medium arts organisations do not receive funding commensurate with their contribution to the arts. Project funding does not deliver organisational sustainability.
- Australian arts funders need to actively address the exclusion of certain groups and take action to ensure resources are delivered in a way that is inclusive of our diversity.
- Funding application and reporting processes should be simplified to ensure they are

WHAT WORKS?

Sidney Myer Creative Fellowships

These fellowships provide unrestricted grants of \$160,000 tax free over two years to individual Australian artists, art managers and thought leaders in the humanities in their ‘early mid-career’ in the first 7-15 years of their career, including: visual performing, interdisciplinary, new media and literary arts. Criteria includes outstanding talent and exceptional courage and artists who are Australian citizens or permanent residents, will be residing in Australia for the duration of the fellowship period. This is not a fellowship that is assessed based on hardship. Applicants may not self-nominate and must include two references who are not the nominator or a member of the nominee’s family. The fellowship was redirected in 2020 to support artists undergoing hardships as a result of COVID through the National Assistance Program for the Arts grant. Decisions on who receives the Fellowships are made by the Sidney Myer Fund Trustees on the recommendation of a national Peer Review Panel. Support material includes no more than five items, including audio and visual files, support letters, and an artist CV of no more than two pages.

accessible and are not disproportionate to the quantity of funding offered.

- Big, structural policy interventions are required in areas where artists face significant challenges, such as access to housing, superannuation, financial literacy and business development. This requires more leadership from governments but also from the sector itself, which is so often stuck in the grant ‘hamster wheel’ it is hard to think of the big picture.

“It is difficult to think broadly and ambitiously about solutions for the arts. But we have to.”

The development of a new, bold, innovative vision for the arts is an important way of resetting the sector post-pandemic, and ensuring we build a strong arts sector, capable of withstanding future shocks and continuing to thrive in the future.

A Role For The Artspay Foundation

The opportunity to contribute to the development of a permanent new source of funding for the arts was welcomed by the people interviewed for this project, with high levels of enthusiasm about the impact ArtsPay and The ArtsPay Foundation can have in the arts.

“I love the idea that money generated [from payment fees] goes to something good, rather than big banks and profiteers. This can help grow the amount of funding going to the arts which is so badly needed.”

“The fact that you are diverting funding from big business to the arts is in itself groundbreaking.”

There was also a view that The ArtsPay Foundation can both grow the amount of funding for the arts, but also be bold in how it approaches arts funding.

“Yes, we need more funding, of course, but we need more than that, we need to think about why we are funded, what we are funded for, and how that funding is delivered.”

“ArtsPay has an opportunity to be disruptive - this is a great moment to do the big thinking and we need a disruptor in the arts.”

“What ArtsPay is doing could fill a massive space.”

There was broad support for The Foundation’s funding being directed to small arts organisations and independent artists, with a clear view that these are the areas of greatest need and where The Foundation could have the most impact.

There were a range of views about what form that support should take, either smaller, hardship based support or larger, multi-year fellowship type support. This spectrum was described thus:

“One version of this would be the \$1000 Sidney Myer COVID support grants which had a very short, one paragraph, application and were distributed quickly via a short peer assessment process. At the other end of the spectrum is the Sidney Myer fellowship

which provides two years of \$70,000 each year and has no outcome requirements. Recipients are nominated so there is no application process.”

Generally speaking there are pros and cons to each.

“Hardship grants are impactful for artists because we are always in a state of crisis wondering how we are going to pay the rent etc.”

“I like the fellowship model, because it is truly transformative for an artists’ career. It is constrained and transparent and if the election panel chooses wisely, people are happy.”

“If you go down the fellowship model you inevitably create winners and losers, but you significantly transform someone’s life - they can actually get a mortgage etc.”

The big difference between the two models was highlighted by one interviewee who said,

“There is something to be said for microgrants but when you are down to the \$2000 level, they aren’t stimulating creativity, they are just alleviating crises. ArtsPay will need to decide which is its priority.”

Most prominently though was the view that ArtsPay could begin a shift away from project based funding towards long-term real wages for artists that would be a big shift in the way we think about how the arts are funded.

“I would question granting and funding. Old school language. It’s become the issue for the sector, there’s never enough in the pot. There are other ways to support the sector that we should innovate in.”

“The concept of a regular wage sounds fantastic - multi year fellowships for multiple people sounds great”

“What about giving artists opportunities to actually earn a salary - love the idea of giving artists a living wage - better way of distributing resources than the grant system.”

“Grants are a very colonial model. You’ve got something very contemporary and exciting so you are in a position to make this look however you want.”

There was also a view expressed that The ArtsPay Foundation should play a role in advocating for bold policy interventions which will have a long term impact and may address some of the long-term structural issues that have plagued the sector for a long time.

“We lack government leadership - we need more public discourse and critical thinking.”

“For example, ArtsPay can pay artists a minimum wage for one or two years - which is reasonably easy - and then innovate, lead debates with new ideas and get governments to think differently.”

“It could be a housing package - a social enterprise space. Superannuation. Anything.”

Some interviewees suggested the Foundation could fund advocacy and research.

“Consider funding political advocacy - how do we make people care about the arts? What could be meaningful - move the Overton window on arts policy.”

“There is space for a foundation that can intervene in political debates - more funding for research and support for a progressive arts policy. Getting ideas out there in the public sphere.”

Many interviewees highlighted the need for good, transparent, open communication with the sector - to understand priorities and ensure people are clear on what is available and to whom. This is important to avoid artists wasting time but also for accountability of the Foundation.

“You need a social licence to operate - be transparent, be seen not to be hypocrites.”

“Communication is critical to ensure you are getting information to the people you want to receive support - it must be done properly to avoid the same challenges of access they face already.”

“Processes need to take into account that they cut people out - make them easier and less onerous and you’ll get a more diverse group of people interested.”

“To get funding to creatives of colour - they’re too exhausted to apply for Creative Victoria - that is a model that doesn’t work for diverse communities - you need to rethink timelines, application processes, criteria, what is art? What is art for?”

“ArtsPay’s accessibility considerations need to include accessibility of ArtsPay

Foundation's applications systems AND the access requirement of the projects you fund. It is the responsibility on the grant maker that those who are applying are also thinking about access"

If The ArtsPay Foundation is going to break down barriers,

"Instead of skilling up applicants to understand your systems, skill up your system to be understandable for the applicants. Skill up yourselves."

"Making grant programs accessible and well-known - is what it comes down to."

There was also an emphasis placed on the importance of partnerships - to maximise funding available but also to avoid unnecessary duplication of administrative processes that will cost time and energy.

"Make use of existing infrastructure. You can still decide where the funding goes but use other mechanisms."

"You could do a lot of good by support existing initiatives that you know already work."

These exciting and innovative contributions will help inform the development of The ArtsPay Foundation's strategic plan, governance and grant-making processes.

How To Make It Happen

The ArtsPay Foundation has been established to build a permanent, new source of funding for small arts organisations and independent artists across Australia, funded through profits generated from payment processing fees generated from ArtsPay.

ArtsPay is an instore and online payment processing company which uses the fees paid by business clients to support the arts.

The ArtsPay Foundation is a charity registered with the ACNC.

As mentioned in the introduction to this report, the Foundation will use the views expressed through this consultation to develop a comprehensive strategic plan that seeks to contribute to addressing the issues outlined in this process.

We want to build a long term, sustainable source of funding for the arts that will sit alongside philanthropy and government and contribute to a vibrant new future for the arts in Australia.

What is clear from our consultation is that the arts community wants a Foundation which:

- Fills the gaps in the current funding landscape by supporting small arts organisations and independent artists.
- Is administratively simple and accessible for artists of all backgrounds.
- Recognises the inherent value in the work of artists and works towards ensuring they are properly paid and can achieve a living wage.
- Works towards sustainability for small arts organisations that currently struggle to make ends meet.
- Strives to ensure funding is distributed to those groups who have historically missed out on arts funding in Australia.
- Advocates for policies that contribute to a vibrant arts ecosystem all around Australia.

To do this, we need your help.

The ArtsPay Foundation can have a big impact only if the entire ArtsPay ecosystem - both the business and the foundation - are supported by the artistic community, the business community, and the community at large.

If you would like to help build a sustainable new source of funding for the arts - by bringing your business on board or contributing to the foundation - we want to hear from you.

With ArtsPay, for the very first time ever, businesses and consumers can contribute to a vibrant thriving and sustainable arts ecosystem - at no cost to them.

Want to get on board?

Join ArtsPay.

Visit www.artspay.com.

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