

Arts Centre Submission to the ACT budget 2025-26

Introduction

The arts facilities and arts organisations in the ACT vary in size from the federally funded national institutions, the 29 ACT arts centres and arts organisations receiving multi-year funding from artsACT to volunteer run community groups. It is this unique combination that creates a vibrant and liveable city that attracts new residents, engages visitors and contributes to the social fabric and well-being of the community.

In 2023, 29 ACT arts organisations commenced new funding agreements with the ACT Government through the Arts Organisation Investment Program and Arts Centre Investment Program. This funding is allocated on a calendar year basis, to 2026 for Arts Organisation Investment Program or to 2027 for Arts Centre Investment Program funding. All programming, reporting, auditing and acquittal is delivered on a calendar year basis. Current funding levels for all organisations commenced in January 2023. While the sector welcomed security of funding for four to five years, most received only a small increase that did not anticipate the steep rises in operational costs experienced over the past two years.

The Arts Centres and the wider ACT arts sector provide a major contribution to delivering the Territory's major policy objectives including *Switched On*, ACT's Economic Development Priorities 2022- 25, *T2030*, ACT Tourism Strategy 2023-30, ACT Wellbeing Framework 2020 and *Canberra: Australia's Arts Capital*, Arts, Culture and Creative Policy 2022 – 2026.

This submission draws data from three of the larger art centres, Canberra Glassworks, Tuggeranong Arts Centre and Belconnen Arts Centre to demonstrate that the rapid and unexpected rises to core operational costs are far outstripping the core funding to be expected over the next three years. We are calling on the government to provide an additional \$2 million per year to be used to offset core operational costs for all ACT multi-year funded organisations proportional to their size and scale to maintain their viability into the future.

While recognising that the ACT budget is very tight, this request is a tiny amount of the overall Territory budget.

The total ACT government budget for 2024-25 was \$11.46 billion of which 2% or \$167 million was invested in Economic Development, Tourism, Sports AND the Arts. And that figure includes provision for infrastructure of a four-year period.

People make art, not buildings.

The focus on the development of the Canberra Theatre Centre has become a central platform for the Chief Minister's statements on this matter. But a shiny new theatre, like all arts facilities require people to make them come alive, people are the performers, exhibiting artists and the audiences. People are the participants in creative activities that bring communities of interest together.

As a sports oval is just a plot of grass without the players and the fans, so too is an arts centre just a building without the artists and the audience. And both require teams of support people to make things happen.

We are asking for the ACT government to support the people by recognising that artists and arts workers are highly trained, multi-skilled individuals that deserve to be paid appropriately for their work.

Total **attendance** figures at the three centres in 2024 clearly demonstrate the value placed by the community.

| | |
|-------------------------------|---------------------------------|
| Belconnen Arts Centre (Belco) | 60,000 |
| Tuggeranong Arts Centre (TAC) | 40,840 (increase 24% from 2023) |
| Canberra Glassworks (CGW) | 101,081 (highest on record) |

The total combined attendance at just three of the ACT arts facilities is **42% of the population of Canberra**.

The arts centres deliver a range of projects that support artists and groups from Aboriginal and Torres Strait Islander, CaLD and disability communities and are supported by enthusiastic volunteer programs that enhance community engagement.

Additional revenue sources.

Arts organisations are highly skilled at sourcing revenue from multiple sources. We are all successful in obtaining project grants from diverse government funds including Creative Australia, the Office for the Arts, ACT Community Services Directorate, ACT Tourism Development Fund and private funders such as the Gordon Darling Foundation and some commercial sponsorship. Project grants are short term for the delivery of project and cannot be used for ongoing operational costs.

All arts centres earn revenue from retail, facility hire, workshops and classes, supply of services such as project management and arts consultancy and, in the case of Canberra Glassworks, commissions to undertake fabrication of work for public artworks, trophies and awards, heritage reproduction, artwork fabrication and limited editions.

Despite achieving revenue growth from multiple sources, arts centres are facing tough decisions to maintain the high standards of services to their artists and communities.

Strategic Partnerships

The arts centres develop partnerships throughout the year with other ACT arts organisations and events that enhance the experience for the community and broaden their audiences.

CGW participated in the Heritage Festival with a demonstration of the creation of a blown glass yidaki (didgeridoo) by Ngambri- Ngunnawal Custodian, Paul Girrawah House and master glass blower, Tom Rowney. CGW also partnered with the Canberra Art Biennial, supporting 13 artists across multiple sites in Canberra, partnered and provided sponsorship to Craft + Design Canberra for the Craft + Design Festival including providing support for glass artist, Spike Deane, on the Urban Biome project.

Belco has an innovative live music partnership with Smiths Alternative, Smiths@Belco showcasing a program of concerts to a new audience and adding a new venue for musicians outside the CBD.

TAC enhances its programming with partnerships with ANU Community Music Centre, Canberra Symphony Orchestra, Jazz Haus Canberra and Marion giving southside residents access to these events at their local centre.

Community Engagement and Participation

All arts centres provide a range of opportunities for their communities to participate in the arts through their extensive programs of classes, workshops and masterclasses where participants can learn and develop their creative skills. All have extensive school holiday programs that are well attended. All have a range of public events including exhibition openings, artists talks and demonstrations that contribute to the **overall attendance figure of 201,921 for the three centres.**

In 2024, 3772 people attended CGW public programs, 6424 attended TAC and 1600 attended Belco Arts. A total of 11, 796 for the three centres.

Operational costs

1. Salaries and wages

As well as having the challenge of competing with the higher salaries of the Commonwealth and ACT Public Service, the Fair Work Commission Annual Wage review increased Award wages by 9.5% (5.75% 2023 and 3.75% 2024). It is likely that there will be a similar increase in 2025. The CPI increase attached to the ACT Government's funding for 2024 was 2.5%.

2. Insurance

The arts sector submission to the ACT Government Insurance Inquiry our survey showed that 50% of the respondent reported an increase in insurance premiums for amounts up to \$10,000 per annum, an average of 43% increase across the respondents. Workers compensation respondents reported an increase in premiums that varied from 13% to 205%.

3. Utilities

All three arts centres have experienced increased utility costs over the past twelve months. This is a particular issue for CGW as the costs of electricity, gas, oxygen and water required for the operation of the workshops have increased significantly in the past twelve months. Note: artsACT enabled CGW to access government rates for electricity from ActewAGL in 2023. Within 12 months this exceeded 2022 costs. (Table 1)

| | 2021 | 2022 | 2023 | 2024 |
|--------------|----------------|----------------|----------------|----------------|
| Electricity | 78,073 | 101,182 | 56,645 | 87,066 |
| Gas | 81,150 | 91,725 | 103,571 | 123,776 |
| Water | 11,751 | 12,627 | 10,200 | 13,397 |
| Oxygen | 15,918 | 15,876 | 20,030 | 21,856 |
| Total | 186,893 | 221,410 | 190,437 | 246,095 |

Table 1: CGW annual utilities costs 2021 – 24.

4. Production costs.

This is an operational cost largely incurred by CGW. As the only specialist studio glass making workshop of its kind in Australia, the largest in the southern hemisphere and a world class facility, there are very few locally based suppliers for raw materials that are essential for this art form.

Many types of glass including colour, and specialist glass making tools have to be sourced from USA, Germany and Italy and have increased in price along with exchange rates, shipping costs and import duties. Locally sourced raw materials (batch) is bought from an importer based in Adelaide while grit is bought in from Sydney. In the period 2021 – 24 the monthly cost of batch has increased 39% and grit 57.5%.

Production or program costs at Belco and TAC are harder to quantify as this is an area which fluctuates according to financial health. At TAC the program costs were reduced in 2024 as the organisation needed to address a budget deficit. This meant that less programs were offered to the community (fewer live performances, fewer workshops, and fewer opportunities)/

5. Cleaning and Waste Management

Again, the cost increases for Belco and CGW have risen significantly over the past 12 months. For TAC, a change in operator provided some savings in 2024, but this line item has increased in 2025.

Indexation

As previously stated in the arts sector budget submission in 2024, indexation to grants is not keeping pace with CPI and while a one-off top-up in 2024 was welcomed by the sector, it is a short-term solution which does not address the issue as an ongoing concern.

The figure for artsACT funding indexation in 2024 was 2.5% against RBA CPI of 6.2%. This is considerably less than what was allocated to the community sector, where indexation is applied according to a calculation of Wage Price Index x 0.8 + Consumer Price Index x 0.2.

Analysis of operational costs and payroll trends against artsACT core funding 2023-2024

Analysis of the combined fixed operational costs (cleaning, insurance, and utilities) for Belconnen Arts Centre, Canberra Glassworks and Tuggeranong Arts Centre has shown an increase of 15.9% in the last financial year (Fig. 1). Corresponding funding by artsACT has increased by only 3.8%. In our 2024 budget submission, we raised the issue of indexation being less than CPI. The data below shows an even greater divergence.

We have also included payroll expenses as these have continued to rise (4%) despite all three centres maintaining a tight restraint on this budget item.

The column graphs provided give further detail of the expenditure of individual Centres (Fig. 2).

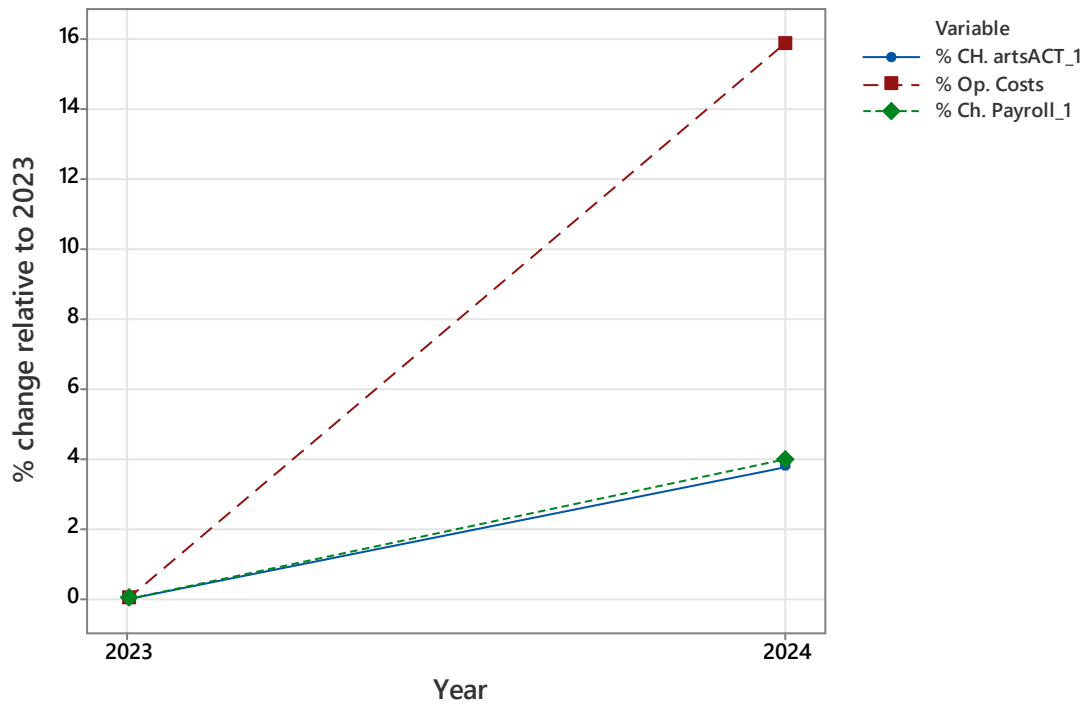


Figure 1. Percentage change in operational costs, payroll and artsACT arts centre funding for the three arts centres – Belconnen Arts Centre, Canberra Glassworks and Tuggeranong Arts Centre for 2024 relative to 2023.

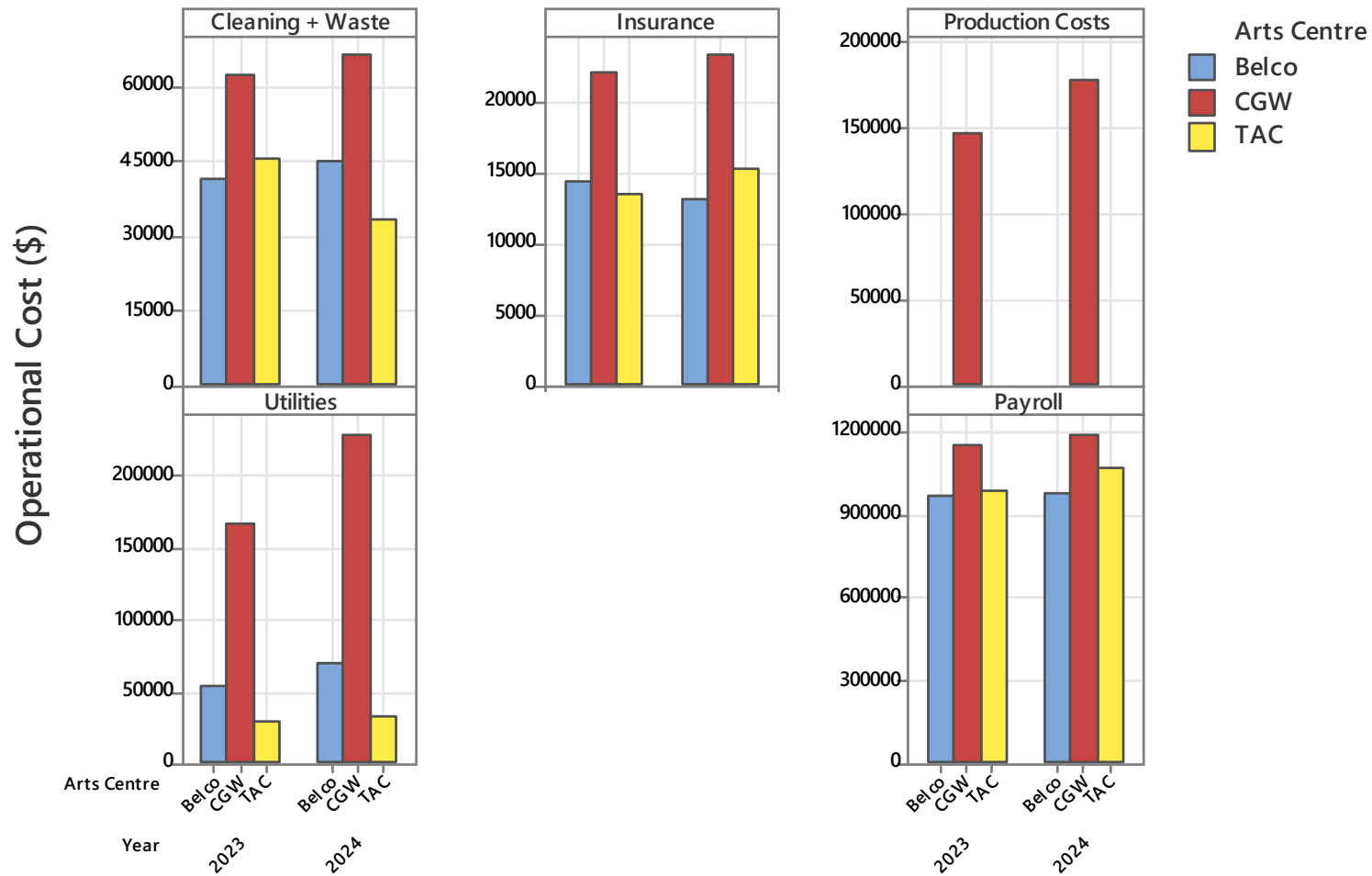


Figure 2. Operational cost (\$) for the three arts centres: Belconnen Arts Centre, Canberra Glassworks and Tuggeranong Arts Centre for the years 2023 and 2024.

Conclusion

While much of this data demonstrating that the increase in operational costs is dramatically outweighing the combined revenue of three of the ACT Government supported arts centres is taken from the three arts centres making this submission, these figures can be proportionally extrapolated across the 29 multi-year funded ACT arts organisations.

While the ACT Labor policy announced during the recent election that *it would increase investment in arts organisations and centres to approximately \$11.25 million per year from the next round of Arts Investment Organisation Program starting 2027 – a 25% increase* (ACT Labor Policy Position Statement 2024), we are asking the ACT Government to commit to an uplift of \$2 million to support increased operational costs for the arts centres and arts organisations in the 2025 – 26 budget.

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