

***SMALL ARTS ORGANISATIONS RESEARCH AND EVALUATION***

**Précis of research conducted by Deloitte for Arts Victoria**

**ARTS VICTORIA – September 2007**

## INTRODUCTION

Victoria's state cultural agencies and major arts companies are prominent examples of exemplary arts organisations. The National Gallery of Victoria or Melbourne Museum, The Australian Ballet or the Melbourne Symphony Orchestra, readily spring to mind when we think of our finest arts organisations. Victoria is also home to many small arts organisations which play a vital role in the state's cultural pre-eminence. The broad number and range of small organisations has made definition and profiling the sector difficult, and only in recent years has the sector been given detailed consideration by state and federal funding agencies.

## PREVIOUS REPORTS

Flagship companies in every state have attracted significant attention and resources. Following the *Major Performing Arts Inquiry* in 1999, State and Federal Governments have worked together to identify and support the larger, significant companies. Yet soon after the Inquiry concluded, the Cultural Ministers Council (CMC)<sup>1</sup> acknowledged the report's broader implications for small-to-medium sized arts organisations. CMC commissioned an examination of the factors influencing the artistic and financial position of Australia's small-to-medium sized performing arts organisations and considered the findings at its 2002 meeting. The report acknowledged:

- the sector is characterized by great diversity, a focus on new creative endeavour, slim administrative structures, a large volunteer workforce and a commitment to artistic production;
- the sector focuses on research and development - the high risk end of the performing arts.
- the sector makes a significant contribution to promoting Australia's international cultural profile;
- the sector involves a large number of young people and communities across Australia;
- while the sector as a whole is in surplus its financial stability is finely balanced, with some areas under financial stress; and

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<sup>1</sup> The Cultural Ministers Council (CMC) provides a forum for co-operation and co-ordination between the Australian Government and state, territory and New Zealand governments on matters relating to the development of the arts and culture in Australia.

- as organisations grow, their operations become more complex and additional business skills are required to strengthen the sector's ability to operate with greater certainty in a challenging environment.

Along with the Australia Council for the Arts' reports on Theatre, and the Visual Arts<sup>2</sup>, which also made references to the small arts sector, an image across art-forms was beginning to emerge from the shadows of the major companies, suggesting their crucial, generative role in the development of new work and professional opportunities for the whole industry. The small arts sector's interconnectedness with the rest of the industry also became apparent, and that regardless of artform, all small organisations shared common issues of operational sustainability.

In light of the findings of the federal reports, Arts Victoria sought to establish the Victorian picture of the sector and conducted research into its own recurrent support for small art organisations in 2006. The internal report *The Leading Edge: Sustaining and Growing Small Arts Organisations in Victoria* highlighted the effectiveness and cost-efficiency of small organisations in delivering on government policies, concluding: '[they] are by far the best value (cheapest and most efficient) delivery mechanism for policy outcomes through the arts.'

*The Leading Edge* also re-iterated the issues raised by the CMC Inquiry:

*A lack of strategic support to small organisations is leading to a withering of the grass roots of the arts industry. But the impact will also be felt by the medium and major arts sectors in fewer candidate new works for production, fewer experienced arts professionals and weaker links to new audiences. A downturn in audiences, new work and staff will seriously impact across the industry, adversely affecting Victoria's reputation as the State of the Arts.*

Predominantly, analysis of small arts organisations had been limited to the government funded sector. There was no indication of the actual extent of the sector that would make current investment meaningful, or indicate genuine unmet demand. So what of the unfunded, unknown, innumerable small arts organisations?

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<sup>2</sup> Australia Council reports:

*Analysis of the triennially funded theatre organisations* Commissioned by the Theatre Board of the Australia Council and conducted by I.D. Roberts Pty Ltd – 2003

*Report of the Contemporary Visual Arts and Craft Inquiry* prepared for the Australia Council by Rupert Myer – 2002.

## **SMALL ARTS SECTOR RESEARCH AND EVALUATION**

For the first time, the *Small Arts Sector Research and Evaluation* commissioned by Arts Victoria in 2006–07 – and undertaken by Deloitte – provides a detailed picture of the small arts landscape and its chief characteristics, including some assessment of government support and the difference it makes.

### **Size of the Small Arts Sector**

Deloitte was first asked to estimate the number of small arts organisations operating in Victoria. For the purpose of the study, small arts organisations were defined as organisations:

- with turnovers of less than \$3 million and/or 10 equivalent full-time staff;
- whose primary function is to engage with or contribute to the arts sector or cultural development;
- that produce or deliver at least one annual public program or event for artists or seeks to build its public recognition as an arts organisation; and
- that provide evidence of organisational structure such as a business plan or management committee.

Applying this definition and using information provided by a range of peak body organisations; local government authorities; industry service organisations, Victorian Multicultural Commission and Consumer Affairs Victoria, Deloitte estimated that there are around 7,800 small organisations in Victoria either creating or supporting arts activities across all artforms.

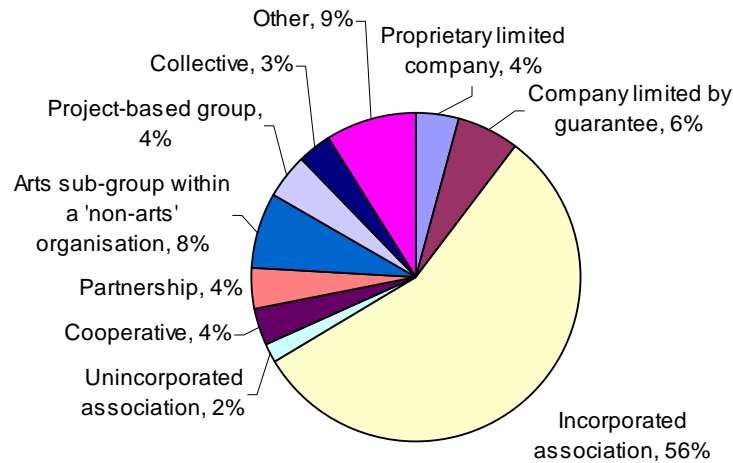
The sector is large and extensive and includes longstanding professional companies with large audiences, expert Boards and significant Government support; through to collectives and cooperatives, or newly incorporated amateur groups, which might present a few shows and then disband.

### **Methodology**

A comprehensive survey was distributed through peak bodies, councils and other organisations across the state. There were 700 respondents within a two week survey period, with 313 meeting the agreed definition of a small arts organisation. Stakeholder interviews and targeted focus groups were conducted as well as a public meeting hosted by the Arts Industry Council (Victoria). The consultation was managed by Deloitte through a special industry committee convened especially for the purpose.

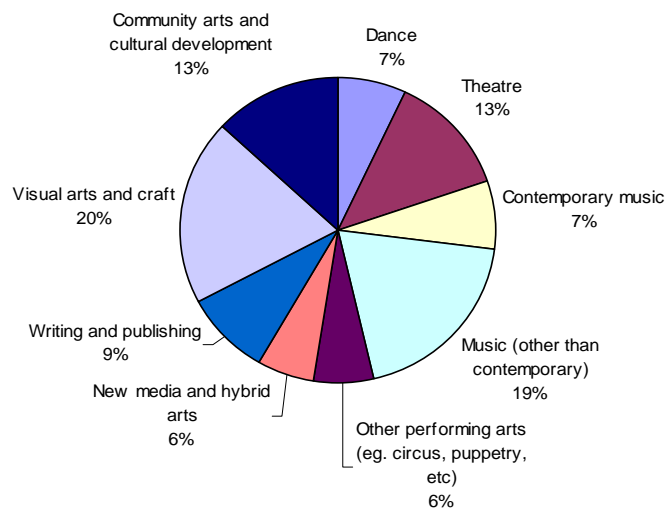
## Key Characteristics

The research covers a cross-section of organisation types. At one end, the humble beginnings of an organisation, when individuals first identify common goals and decide to work together, presenting a few shows, as yet unknown to government, eventually registering a name, or incorporating. At the other, very successful companies limited by guarantee with high profile staff and boards and who are well-supported by the State.



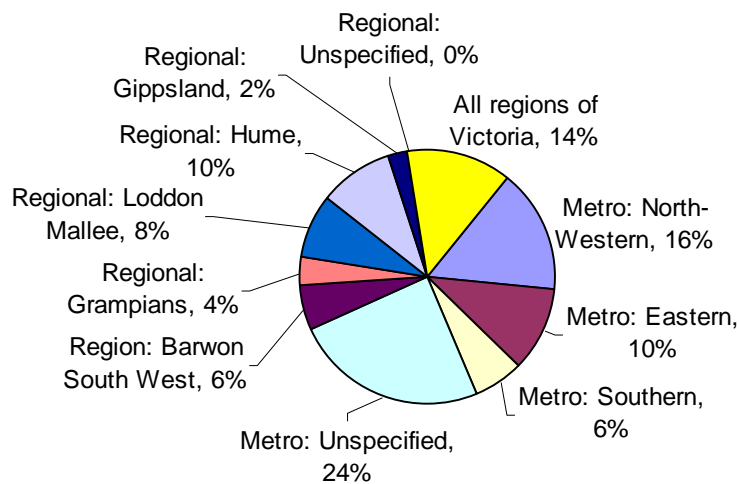
The research indicates that within the small arts sector:

- All artforms are supported – from performing arts to writing and publishing and most surveyed small arts organisations indicated they are involved in multiple artforms.



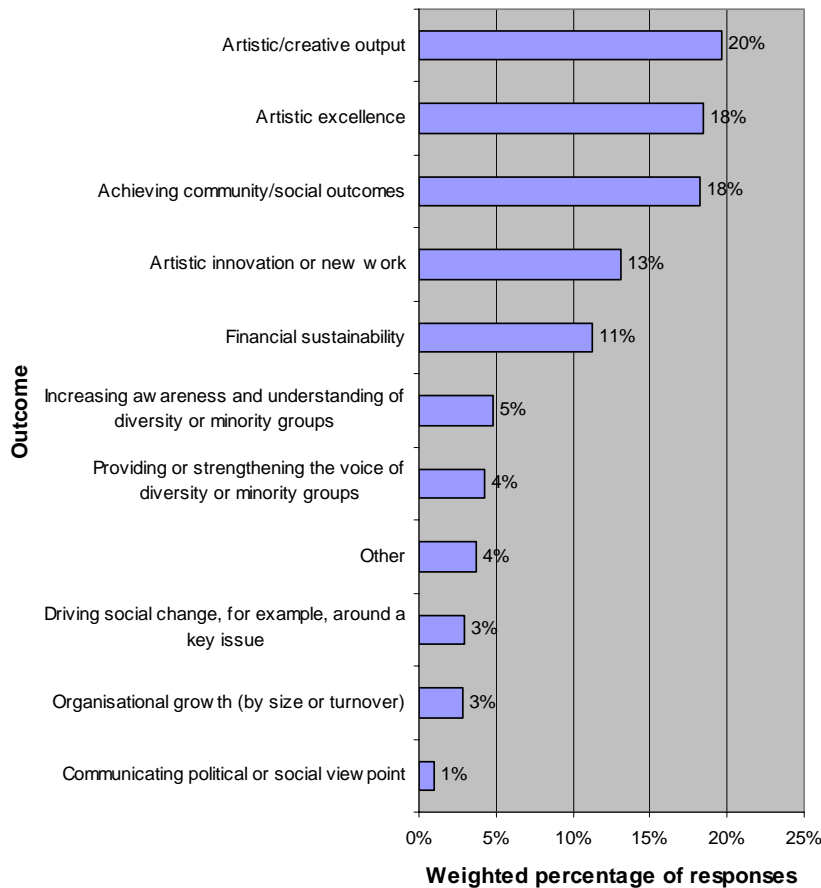
- All key diversity groups are creatively engaged – from youth (engaged by 42% of organisations), culturally and linguistically diverse (CALD) communities (28%) to the homeless or 'at risk' (13%).

- Small arts organisations operate across all regions of Victoria – with the presence of small arts organisations generally aligning with the Victorian population.



Irrespective of where they are located, the artforms they support or the diversity groups they engage, the research indicates that small arts organisations tend to exhibit many shared characteristics:

- **Small arts organisations are very small – especially in regional areas.** The average turnover for small arts organisations is \$75,000. However, more than a third turnover less than \$20,000. On average, metropolitan organisations turnover three times more (\$84,000) than regional organisations (\$27,500).
- **Volunteers and unpaid labour are critical to the sector.** Most small arts organisations (88%) rely on volunteers or unpaid staff – primarily working part time. Even paid staff are relied on to work, on average, an one extra unpaid day each week. The average contribution from volunteers to each small arts organisation is estimated at 100 days per year.
- **Small arts organisations’ primary focus is artistic.** Two-thirds of surveyed organisations indicated their primary function is to create art or cultural activities, or facilitate the creation of art or cultural activities by others. When asked to rank outcomes that defined what success means to them, small arts organisations ranked ‘artistic excellence’ most highly – followed by ‘achieving community or social outcomes’.



- **Small arts organisations rely on multiple sources of income.** Most organisations (87%) raise some level of self-generated income – this represents 40% of the sector’s total turnover. Whilst 40% of small arts organisations receive private donations, corporate sponsorships and philanthropic donations, these sources represent only 11% of total sector turnover. The remaining 49% of sector income comes from government funding, across all levels of government.
- **Most small arts organisations have an established management committee or board (77%).** Management committees play a crucial role in supporting small arts organisations – bringing artistic as well as management skills and experience which is otherwise not available within the organisation or not affordable.
- **Small arts organisations are survivors.** Despite significant financial challenges, a majority (61%) of small arts organisations have been around for more than 10 years.

## Value of Small Organisations

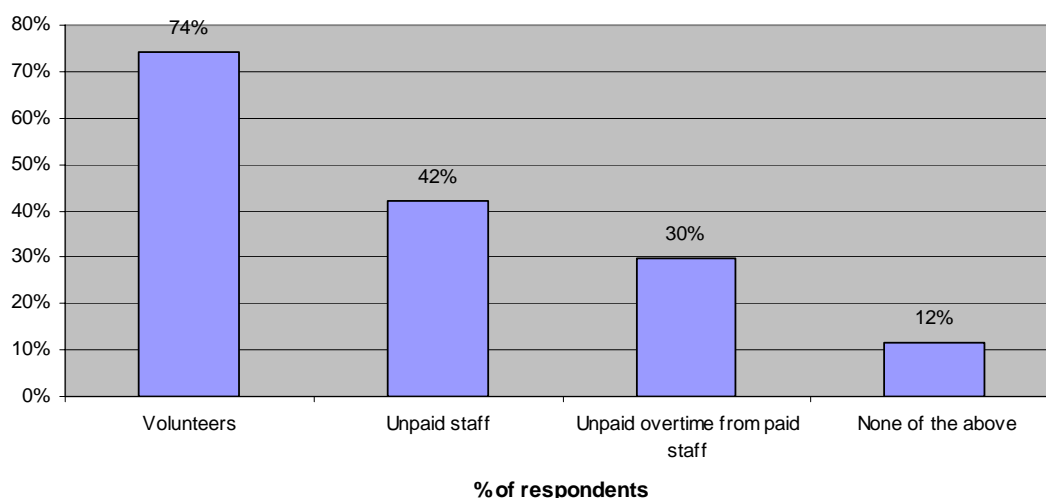
The value of small arts organisations can be seen in the artistic, economic and social benefits they deliver. Many of these benefits relate to a wide range of Victorian Government

policies and programs including: *Creative Capacity+ Arts for all Victorians*, *Arts for Health (VicHealth)*, *A Fairer Victoria* and the *Moving Forward* Provincial Statement.

- **Small arts organisations support cultural diversity** by creatively engaging diverse groups and communities including youth (42%), people with Culturally and Linguistically Diverse (CALD) backgrounds (28%), indigenous people (25%) and people with disabilities (24%).
- **Small arts organisations increase accessibility to the arts.** Small arts organisations engage diverse audiences including people of CALD backgrounds, indigenous people and people with disabilities – and their events are also more affordable than those of major arts organisations, with nearly half charging \$10 or less for a ticketed event. On average, small arts organisations deliver around 16 events and attract 2,500 audience members each year.
- **Small arts organisations support cultural export and tourism.** Most small arts organisations surveyed had undertaken tours over the past two years (73%) – this includes collaborations or presentations of work away from their local area.

Small arts organisations also attract visitors/tourists to their events. For example, regional small arts organisations attract, on average, 1,500 people to their events each year and 33% of these people are visitors/tourists.

- **Small arts organisations promote volunteering.** Three quarters of small arts organisations rely on volunteers – on average 15 volunteers and unpaid staff per organisation. This equates to more than 100,000 Victorians engaged as volunteers or unpaid staff in the small arts sector.

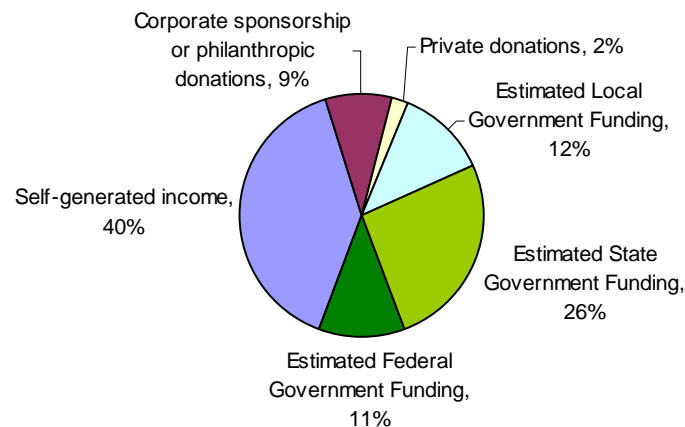


- **Small arts organisations promote a vibrant democratic culture** by providing a platform for social debate and creative engagement of diverse groups including multicultural communities, migrants, and refugees, to come together and present their story in their communities.

## Building an innovative economy

Small arts organisations support local economic activity, skills development and employment in the state.

- **Small arts organisations generate economic activity.** Most small arts organisations (87%) achieve some level of self-generated income. In fact, 40% of small arts sector revenue is from self-generated income. The estimated average self-generated income for a small arts organisation is \$17,500 per year.



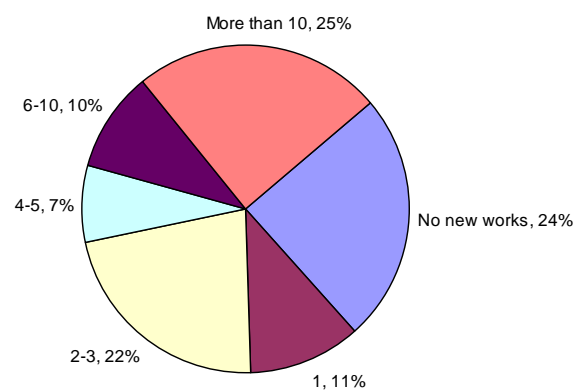
**Small arts organisations promote professionalism and skills development in their sector.** Nearly one third of small arts organisations offer training to artists and arts workers – predominantly through ‘on the job’ training and mentoring. Of those, 37% provided six or more professional development opportunities in the last 12 months.

- **Small arts organisations provide employment opportunities in the arts.** Over two-thirds (68%) of surveyed organisations employ artists and creative staff. On average, those organisations employ ten staff in creative roles each year – typically part time or on projects. Small arts organisations are also important in building the pool of artistic talent in Victoria, with 44% of surveyed organisations having employed new and emerging artists in paid positions over the past 12 months.

## Promoting a dynamic cultural sector

Small arts organisations support artistic development and innovation, advocacy, networking and partnerships. Evidence of these benefits includes:

- **Small arts organisations create most of the new and innovative work in Victoria.** Small arts organisations are important to the artistic vitality and ongoing development of the arts, creating most of the new and innovative work. Nearly half of all small arts organisations (44%) stated that they support new ideas and research and development.



Three quarters of all small arts organisations produce at least one new work per year (76%) or support other small arts organisations to do so (75%).

- **Small arts organisations build cross-sectoral partnerships.** Of the surveyed organisations, 68% collaborate with businesses or academic institutions to create art or support those who create art.
- **Small arts organisations achieve industry recognition for quality and innovation.** 30% of surveyed organisations have received one or more industry awards in the last 12 months – ranging from local government awards (37%), national awards (24%) to international awards (10%).
- **Small arts organisations are networkers.** Most surveyed organisations held at least one arts-related networking function in the last 12 months (64%) and nearly one third held three or more networking functions (31%). Nearly half of these events attracted more than 50 people (47%), while another 36% attracted between 11 and 50 people.

## Industry Service Organisations

10% of surveyed small arts organisations identified themselves as being primarily an industry service organisation (ISO) identifying their primary activities as advocacy, networking, and industry support or raising the profile of the arts and/or artists. This response reflects the broader focus that many small arts organisations have in developing artists and raising the profile of the arts in our communities. They do this by:

- **Providing networking opportunities.** These activities foster knowledge sharing, professional development and help overcome isolation for small arts organisations. The majority of surveyed ISOs held at least one arts-related networking event in the past 12 months, with 23% holding more than five events. To these events, many ISOs (19%) attracted more than 200 people and additional third attracted 101-200 people (30%).
- **Setting standards of best practice to enhance the sector.** ISOs help develop the quality of artwork and professionalism of arts workers through activities such as development of industry guidelines, research and promotion of best practice.
- **Initiating and facilitating collaborations.** ISOs help establish and support collaborations amongst small arts organisations to pool resources for artistic or administrative purposes. Nearly one third of surveyed ISOs had facilitated more than 20 strategic relationships in the last 12 months (30%).
- **Delivering training and professional development services.** ISOs provide a wide range of training to small arts organisations across the state. Over 40% of ISOs provide training to artists in the form of workshops, courses and mentorships.
- **Providing access to infrastructure for small arts organisations.** ISOs offer small arts organisations access to information, libraries, skilled staff and physical infrastructure, such as boardrooms and computers. They also offer procurement benefits based on economies of scale – such as co-ordinating access to cheaper public liability insurance.
- **Promoting the sector, lobbying and liaising with government stakeholders.** ISOs are active in promoting the needs and achievements of their artform sector – as well as supporting communication regarding government policy and programs to members.

## Challenges

While small arts organisations in Victoria are generally positive about future demand for their work – with 87% seeing this demand increasing over the next three years – the sector is currently facing significant and increasing challenges to stay afloat and is operating under

increasing difficulty and duress. The research highlights the following challenges for this sector:

- **Attracting or generating funds is clearly their major challenge.** The inability to attract or generate sufficient funds places significant pressure on small arts organisations' capacity to produce new work, employ staff, engage audiences and ensure their future financial sustainability. The financial pressure faced by small arts organisations is due to rising costs with static revenue. Earlier research indicates that earned income is not increasing at the same rate as costs – with small arts organisations increasingly caught in a vicious cycle – the inability to raise or attract funds constrains core activities that help to raise funds.
- **Accessing infrastructure, particularly accommodation, is a significant issue.** Small arts organisations find access to infrastructure difficult. The most basic of infrastructure, accommodation, is a key issue – particularly in regional Victoria. Over one-fifth (22%) of surveyed organisations do not have accommodation. Almost a third (29%) relies on some form of accommodation support.
- **Accessing skills is a significant issue.** Finding people with the right operational skills is a significant issue for small arts organisations. Most surveyed respondents agree that finding people with marketing skills relevant to their needs is the most difficult (51%), followed by management and administrative skills (48%). Small arts organisations acknowledge that the cost of accessing the right skills may be worth it; however, they also state that it is not affordable. With the inability to employ the right people or provide training to develop the required skills, most small arts organisations rely on unpaid people (88%), including management committee members to provide the expertise and experience not elsewhere available within the organisation (71%).
- **Accessing training is a significant issue.** Training needs are most acute in the areas of marketing, management and administration. While many believe that the cost of training is worth it (40%), they also state that it is not affordable (58%). Training courses also tend to be inflexible – considering length, level of detail, time of day and additional studying required – to cater for volunteers. Small arts organisations prefer one-on-one mentoring or on-the-job training for staff. Since small arts organisations are unable to afford employing people with the right skills or to provide training to develop the needed skills, most small arts organisations again rely on unpaid people in key roles.

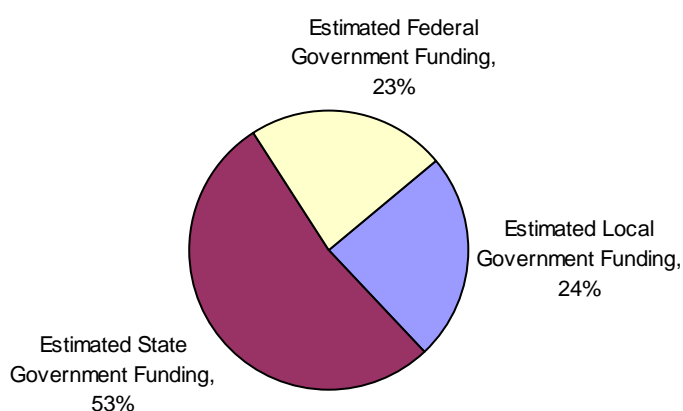
## RESEARCH SUMMARY

The research paints a vivid picture of a vital sector linking public audiences and popular interest in the arts with the major arts companies and agencies. Small arts organisations develop new work and cultivate new and diverse audiences across Victoria, in many cases with disadvantaged and outlying communities. They provide significant employment, including many first or early opportunities for artists and arts workers. They promote professionalism in the arts and provide training and skills development opportunities for the whole sector, but they are also constrained by their small scale, limited outreach and minimal resources.

## GOVERNMENT SUPPORT

While the research does not quantify total government support to the sector, it indicates that:

- Federal, State and Local Governments aim to identify and assist the best of these small organisations through various funding programs and government funding tends to go to the larger small arts organisations. The State Government is the largest funding provider to the surveyed small arts organisations (53%).
- Most State Government funding goes to larger organisations and small arts organisations are eligible for only 11% of all arts funding.<sup>3</sup> Nearly half of surveyed organisations (49%) with turnovers of less than \$20,000 do not receive any government funding.
- Arts Victoria provides more than half of State Government funding, with the rest provided by other departments, including Department for Victorian Communities (DVC) and VicHealth.



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<sup>3</sup> Based on 2004–05 figures

Where State funds are provided through Arts Victoria the arts impact is, predictably, more direct, as the following table indicates:

| Characteristic   | Unfunded  | State Government Funded  | Arts Victoria Funded   |
|--|---|--|--|
| Funded organisations tend to have existed for longer                                 | 55% existed for more than 11 years  | 68% existed for more than 11 years   | 76% existed for more than 11 years   |
| Artistic innovation or new work of higher priority for funded organisations          | Artistic innovation is ranked 5 <sup>th</sup> . It is clearly lower than the top three priorities               | Artistic innovation is ranked as a close 3 <sup>rd</sup>   | Artistic innovation is ranked 2 <sup>nd</sup>  |
| Funded organisations present more artwork  | 33% generate 4 or more new works  | 51% generated 4 or more new works  | 51% generated 4 or more new works  |
| Funded organisations held more industry and public events over past 24 months        | 18% held 31 or more public events   | 53% held 31 or more public events  | 63% held 31 or more public events  |
| Funded organisations attract larger audiences  | 1,000 people per year   | 5,000 people per year  | 8,000 people per year  |
| Funded organisations provide more opportunities for cultural tourism                 | 39% of organisations  | 62% of organisations   | 76% of organisations   |
| More funded organisations contribute to regional development                         | 28% of organisations  | 48% of organisations   | 46% of organisations   |
| More funded organisations provide support for new ideas and research and development | 37% of organisations  | 51% of organisations   | 63% of organisations   |
| Funded organisations use more volunteers and unpaid staff                            | 12 people providing 450 hours, averaging 37.5 hours per person  | 20 people providing 1000 hours, averaging 50 hours per person  | 20 people providing 1500 hours, averaging 60 hours per person  |
| Funded organisations employ more artists/creative staff on a paid basis              | 49% of organisations pay their artists.<br><br>On average, they employ 6 paid staff compared to 10 unpaid staff | 77% of organisations pay their artists.<br><br>On average, they employ 13 paid staff compared to 10 unpaid staff | 84% of organisations pay their artists.<br><br>On average, they employ 27 paid staff compared to 15 unpaid staff |

| Characteristic   | Unfunded  | State Government Funded   | Arts Victoria Funded  |
|--|---|---|---|
| Funded organisations raise more self-generated income  | Self-generated income: \$12,500<br>Total income: \$15,000   | Self-generated income: \$35,000<br>Total income: \$170,000  | Self-generated income: \$35,000<br>Total income: \$355,000  |
| Funded organisations are better able to attract corporate sponsorships and philanthropic donations | 18% of organisations attract such funding   | 56% of organisations attract such funding   | 63% of organisations attract such funding   |
| More funded organisations receive in-kind support, which tends to be greater in value              | 50% of organisations<br>Average value: \$2,500  | 81% of organisations.<br>Average value: \$17,500  | 84% of organisations.<br>Average value: \$26,250  |
| Funded organisations provide more professional development opportunities                           | 10% provide 20+ opportunities   | 20% provide 20+ opportunities   | 21% provide 20+ opportunities   |
| More funded organisations receive accommodation support - in kind, monetary or both                | 21% receive accommodation support   | 32% receive accommodation support   | 33% receive accommodation support   |
| Funded organisations are more optimistic about demand for their work in the next 3 years           | 82% see growth in demand with 18% foreseeing it to grow significantly.<br>18% see it neither growing nor decreasing | 92% see growth in demand, with 46% foreseeing it to grow significantly.<br>7% see it neither growing nor decreasing | 91% see growth in demand, with 45% foreseeing it to grow significantly.<br>8% see it neither growing nor decreasing |
| More funded organisations prepare an annual budget   | 37% of organisations  | 82% of organisations  | 84% of organisations  |
| More funded organisations prepare a business plan  | 42% of organisations  | 83% of organisations  | 89% of organisations  |
| More funded organisations have a management board/committee  | 65% of organisations  | 87% of organisations  | 89% of organisations  |
| More funded organisations have a constitution/charter  | 60% of organisations  | 81% of organisations  | 83% of organisations  |

## Funding issues

While State Government funding for the small arts sector has had a positive impact, the research identifies a number of issues around Arts Victoria's support. A divide between 'haves' and 'have nots' clearly points to a significant unmet demand for Arts Victoria and other Government support among small arts organisations. In 2005-06, Arts Victoria recurrently funded 46 organisations (at an average of \$112K pa) and provided project funding to 138 organisations (at an average of \$25K).

While the research concedes that many of the State's unfunded small arts organisations may be candidates for support under Arts Victoria or other State Government funding programs, there is currently limited capacity to broadly and accurately respond to this demand in order to produce further benefits for the State across a range of policy objectives. However, the research confirms that despite the enormous range of organisation types, and their widespread location, Arts Victoria's support for the small arts sector is fairly and evenly spread over diverse groups, regions and artforms. The multiplicity and focus of small arts organisations supported also delivers on a range of government policies.

The research findings suggest, however, that Government may direct further support to improve its coverage and support of small arts organisations in the following areas:

- writing and publishing, new media and contemporary music;
- organisations in Hume and Loddon/Mallee regions; and
- organisations delivering programs for homeless or at risk youth and older people.

The research also identified the following issues relating to government funding of small organisations:

- **There is a gridlock in organisational funding.** Operational funding for small arts organisations is effectively a closed process and a 'gridlock' exists that prevents unfunded organisations from being considered for organisational funding.
- **There is a perceived pathway from project to organisational funding.** Small arts organisations perceive that project funding is a step on a pathway to organisational funding. However, until recently new organisational funding had not been widely available.
- **Unlike project funding, organisational funding is not assessed by peers** with relevant experience in artforms and diversity groups engaged. Without this, there is lower confidence amongst small arts organisations about the equity of the selection processes.

Other issues associated with State Government funding that need to be considered:

- **There is a varied level of awareness of funding opportunities.** Only half of unfunded organisations are aware of the support available from the various levels of government. Awareness is particularly low in multicultural communities. Two thirds of the survey respondents did not know where to locate information on available funding and did not understand which funding program is most suitable to apply for.
- **There have been a relatively low number of applications for Arts Victoria project funding.** Approximately 460 eligible applications were received in 2005–06 (which represents 6% of the estimated sector).
- **There is a belief that not enough funding is available for small arts organisations.** Of the surveyed small arts organisations, the majority did not receive any State Government funding and most believed there is insufficient government funding targeted at small arts organisations.
- **Perception exists that grants may not be aligned to needs.** Only a small proportion of surveyed small arts organisations (19%) agree government funding programs are aligned with the needs of the organisation.
- **There may be a case to review funding procedures.** Across the sector, 40% of surveyed small arts organisations feel the time and effort required to apply for government funding is not worth it and 28% agree that the requirements are too tedious.
- **Coordination between government funding providers is needed.** There is a collaboration challenge amongst government departments who fund the activities of small arts organisations to ensure efficient and effective funding. While several initiatives instigated by the Cultural Ministers Council Agreement have started improving interactions between State and Federal government, small arts organisations suggest that collaboration between all levels of government could be improved.

## EXTERNAL SUPPORT

Corporate sponsorship and philanthropic donations represent a small portion (9%) of the small arts sector turnover. While earlier research indicates business support for the arts in Australia has increased substantially over the past few years, small arts organisations have not been able to successfully tap into this type of funding despite many attempts.

To access more of this type of funding, small arts organisations need to:

- Build awareness of these funding options – less than half of all small arts organisations are currently aware of how to access philanthropic support (41%) and less than a third are aware of how to access corporate sponsorships (29%).
- Build marketing capacity – small arts organisations struggle with marketing because they typically do not have the people or time to do it.

Most small arts organisations are recipients of in-kind support in a variety of forms. In fact, they rely on it to survive. The majority of surveyed respondents indicated that they received in-kind support (68%) to the average value of \$7,500, which is in addition to the volunteer and unpaid staff support they receive.

## **CURRENT AND FUTURE ACTIONS**

### **2003–07**

Recognition of the importance of the small to medium arts sector in Victoria was heralded with the release, in 2003, of the State Government's arts policy – *Creative Capacity +*. Small arts sector initiatives included:

- increased funding of \$2.6 million over four years from 2003-04 to stabilise the sector and to redress several years of static funding.
- Arts Victoria initiated pilot programs under the aegis of the Small Cultural Organisations Opportunities Program (SCOOP) including:
  - Creative Spaces Database – an online listing of spaces available to small organisations for creative development and presentation in partnership with City of Melbourne;
  - Culture Lab – a funding program in partnership with City of Melbourne dedicated to creative development undertaken by small organisations at the Meat Market Arts Centre;
  - Special Administration Funding – one-off funding for project-based companies seeking assistance with administration and production expertise to capitalise on clear and present opportunities for their growth and development.

## 2007 onwards

The State Government – through Arts Victoria – is continuing to respond to the challenges and opportunities which lie within the small arts sector.

- From 2006–07, small arts organisations in receipt of operational funding received an additional \$6 million over 4 years through the *Strengthening the Small Arts Sector* package to further improve sustainability in the sector.
- In the 2007–08 State Budget, further funding of \$2.4 million was announced through the *Creative Communities* initiative to support an additional number of organisations.
- From 2007–08, Arts Victoria support for small arts organisations, in line with the findings of the research, includes:
  - increased access to support for small arts organisations through an expanded range of programs and initiatives, greater eligibility and reduced application requirements with an open advertisement for the 2008 round of a new Annual Operations funding program.
  - the introduction of peer assessment and evaluation of small arts organisations;
  - reducing the administrative burden for funded organisations through further ‘harmonisation’ with the Australia Council for the Arts in tripartite and synchronised multi-year agreements;
  - increasing support for ‘strategic initiatives’ to address challenges faced by small arts organisations;
  - engaging ethnic media, Industry Service Organisations (ISOs) and key peak body organisations in the promotion of Arts Victoria programs.

Through these initiatives, the Victorian Government leads the way in recognising and supporting small arts sector activity.