LPA submission: Major Performing Arts Framework Consultation Paper

Live Performance Australia (LPA) welcomes the opportunity to make a submission to the Major Performing Arts (MPA) Framework Consultation Paper.

LPA is the peak body for Australia's live performance industry. Established in 1917 and registered as an employers' organisation under the *Fair Work (Registered Organisations) Act 2009*, LPA has over 400 members nationally. We represent commercial and independent producers, music promoters, performing arts companies, venues (performing arts centres, commercial theatres, stadiums and arenas), arts festivals, music festivals, and service providers such as ticketing companies and technical suppliers. Our membership spans from small-medium and not-for-profit organisations to large commercial entities. LPA members include all current and incoming MPA companies.

GREATER GOVERNMENT SUPPORT FOR THE PERFORMING ARTS ECOLOGY

A thriving performing arts sector in Australia is dependent upon all parts of the performing arts ecology being strong, stable and sustainable. It is dangerous to review one part of the sector without considering the entire context of the performing arts ecology. Any consideration of arts funding models needs to consider the various inter-related parts of the sector and ask the bigger questions about government investment in the performing arts across the board.

MPA companies play a pivotal role within the performing arts ecology. They are key pillars of Australia's cultural infrastructure, providing stable employment for many performers, creatives, producers, technicians and arts administration staff. They produce works of scale and take risks on new work or reinventions of existing work. They contribute to the broader ecology and society, through their community, education, audience development and sector development initiatives. It is also important to note that MPA companies are not a homogenous group; they differ greatly in terms of artform, size and scale, and are not solely reliant on government funding to run their operations.

MPA companies sit alongside and complement other performing arts organisations. The small to medium sector is the launching pad for many arts workers, where their talent and skills are nurtured and developed, and where experimental work can be produced. Arts workers often move between different parts of the sector, highlighting how the sector is interdependent.

While the consultation paper is solely focused on enhancing the current MPA Framework, LPA believes government needs to increase investment in the performing arts more broadly. Unfortunately, the MPA Framework review is being undertaken in a fiscally constrained environment, where resources in all parts of the sector are stretched. In light of the funding challenges experienced in the small to medium sector, competition for scarce resources is creating division within the sector and fueling tensions between the 'haves' and 'have nots'. This is counterproductive particularly given the interconnectedness of the sector. The current narrative must move beyond this to one which reinvigorates debate about the importance and value of the performing arts to Australia's cultural, social and economic wellbeing.

Funding stability is critical for the entire performing arts ecology, so that it is sustainable and can innovate and grow. Many performing arts organisations and independent artists would benefit from multi-year funding agreements that account for differences in size and complexity, so that they can plan and take calculated risks. For this to be achieved, significant additional investment into the sector is required. Additional investment in the small to medium sector should not be due to the reallocation of funds from the MPAs, and vice versa. This would be a detrimental outcome for all, and further exacerbate the tensions that currently exist across the sector.

IMPROVING UNDERSTANDING OF THE FRAMEWORK

LPA believes there is a lack of understanding in the sector about the current MPA Framework – in particular, that companies are not funded in perpetuity and that there are substantial requirements placed on MPA companies in terms of activity and accountability. For example, there seems to be a lack of awareness that MPA companies report to government on a quarterly basis, present their business plan annually and present their strategic plan to the MPA Board every three years. In addition, MPA companies are required to undertake activities beyond mainstage productions, such as delivering education and outreach programs, regional touring, and capacity building.

Going forward, LPA recommends that a communications strategy be developed to educate the broader sector about the revised framework, how it works, why changes were made and why companies received the level of funding they received.

LPA also believes a new name for the framework would be useful; a name which immediately reflects the purpose and scope of the framework and the role of the companies that receive funding through the framework. An appropriate title may also help to bridge the divide between the 'majors' and small to medium sector.

UNDERLYING ARCHITECTURE – EXIT AND ENTRY

The key benefit of the framework is that it provides companies with funding certainty so that they can undertake long-term planning, take risks and leverage funding from non-government sources. In this respect, LPA supports the underlying premise of funding certainty for eligible companies under the framework. However, LPA has some concerns about the contractual model (i.e. four year contract plus four year extension, subject to KPIs being met) proposed in the consultation paper.

Typically, companies are planning their programs and activities, and have locked in the necessary commitments to deliver these plans, several years in advance. It would be a dire circumstance if companies found themselves in a position whereby government funding was discontinued at the end of the eight-year funding agreement and companies were unable to deliver their forward plans. Assuming that a company is meeting its performance measures, a rolling four plus four agreement, with four-yearly reviews and regular monitoring and reporting, would provide companies with greater certainty and stability.

If, however, there are concerns about a company's performance or a company no longer meets the framework's eligibility criteria, the company should be placed on notice (18 months) and afforded the opportunity to rectify any issues before a determination is made about whether they will continue to receive funding under the framework. If not, there should be a staged exit (at least three years) so that the company can honour any existing commitments or be moved to a different funding mechanism.

LPA believes that the framework should be limited to performing arts companies. If governments believe that other artforms would benefit from a multi-partite funding framework, then the framework could be used as a starting point for developing a framework appropriate for those artforms.

ELIGIBILITY CRITERIA

LPA believes the current definition of an MPA company is too broad. Most of the criteria are subjective in nature with only one objective criterion (i.e. ability to achieve earned (non-grant) income of $1.6 million adjusted annually for CPI). The subjective nature of the criteria means that there can be many different interpretations and the view that many companies could meet the definition of an MPA company.

On the one hand, the eligibility criteria need to be flexible (so that unique contexts can be taken into account – e.g. differences in artform, government priorities, economic conditions). On the other hand, they need to be prescriptive to provide clarity in interpretation. In essence, the criteria need to answer the underlying question of what makes companies eligible for funding under the framework different.

In LPA's view, for companies to be eligible for funding under the framework, they need to be culturally significant in their artform (or arts practice) or for the state/territory/nation. They are companies that, if they were no longer operating, would be difficult to replace. They are companies that can leverage their brand, locally and internationally. Eligibility should consider factors such as:

- employment
- producing activity (e.g. scale and number of productions in a year)
- audience reach

- ability to leverage other (non-grant) funding
- ability to attract top class talent (e.g. internationally renowned creatives/artists).

LPA believes there is scope to apply the framework to a greater number of performing arts companies. If these companies meet the eligibility criteria, they should be allowed to enter under the funding framework when they are ready. Further consideration needs to be given about whether unanimous agreement by all ministers is required to allow companies to enter or exit under the framework. Regardless of whether the decision is based on unanimous, majority or bi-lateral agreement, the eligibility criteria and entry/exit requirements must be consistently applied.

ASSESSMENT PROCESS

LPA believes the three tiers of assessment (artistic quality and creative leadership; financial sustainability and governance; and contribution to, and balance of, the state/territory and national arts ecology) are appropriate. The assessment could also consider areas such as audience development, diversity and development/presentation of Australian works. Or these considerations could be reflected in the KPIs negotiated between government and the companies.

LPA considers there to be merit in incorporating an element of peer assessment in the assessment process, as long as appropriately skilled and experienced people can be identified to provide their views.

Funding granted to these companies should not only consider the outputs companies are expected to deliver but also the cost of producing the artform and earnings potential (i.e. the size of the market in which the company operates and economic factors). In addition, if companies are expected to deliver activities aligned to governments' strategic priorities, they should be adequately funded to do so. Activities (such as touring, education, audience development, sector development, access) are often costly to deliver, and government funding should be provided to support these activities.

It is important that companies be allowed to define how they will achieve artistic quality, creative leadership and governments' strategic priorities. Each company's resources, capabilities and strategic directions are different and this will influence how one company may seek to address artistic quality, creative leadership and government priorities relative to another.

ACCOUNTABILITY AND TRANSPARENCY

LPA believes companies funded under the framework must remain highly accountable for the public funds they receive. Performance should be monitored and evaluated against agreed KPIs, which are regularly reviewed and negotiated to account for company and government priorities, emerging opportunities and changes in circumstances and external environment (e.g. venue availability). LPA believes annual reporting of aggregated information about companies' performance, that is publicly released, would improve transparency and understanding of outcomes.

KEY LPA CONTACTS

LPA welcomes the opportunity to be involved in any future discussion about the enhanced framework.

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