

# Major Performing Arts Framework Consultation Paper



**Response by the Media Entertainment and Arts Alliance (MEAA)**

**November 2018**

## Major Performing Arts Framework Consultation Paper

MEAA welcome the opportunity to comment on the Major Performing Arts Framework Consultation Paper (the paper).

The paper (the paper) canvasses areas where the MPA framework can be 'strengthened'. Key among potential reforms are:

- conversion of 'perpetual funding' to 4 year (and 4 + 4 year contracts)
- changed eligibility criteria with new tiers of assessment, including diversity, access and creative leadership
- whether an enhancement fund should be created, from either new or existing resources
- closer consideration of MPA members' touring activities

There are some valuable propositions in the paper. For example, MEAA supports new eligibility and performance criteria that reflect contemporary and progressive values. Deeper analysis of touring activities, consideration of differing jurisdictional demographics and public performance reporting are all conceptually sound and worth progressing. We also support an enhancement fund where additional funds become available. In principle, MEAA also support linking funding to outcomes.

We also support more overt creative leadership aimed at improved capacity building, mentoring and professional development opportunities. As the consultation paper states, 'Clarifying that term [creative leadership] could draw on the Australia Council's MPA Collaborative Arts Projects Program and focus on the reciprocal outcomes of the collaboration, particularly in terms of capacity building for the wider sector.'

Several of these potential changes build on the 2011 MPA reforms<sup>1</sup>, which improved transparency but reduced funding clarity by removing the clear divisions of funding responsibility between the Commonwealth and the States.

MEAA does not however support the paper's more far-reaching – and potentially destabilising – propositions, especially moving towards multi-year contracts.

We do not support fundamental change for the following reasons:

- Embracing reform now may contribute to the unjustified view that MPA companies are not accountable and enjoy a cossetted existence.
- Change would be occurring in circumstances where the arts sector as a whole is recovering from acts of political harm (the NPEA and Catalyst programs) and ongoing funding uncertainty.

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<sup>1</sup> MEAA broadly support the 2011 reforms, including alignment with national priorities, including access and audience criteria, regular reporting, provision of annual business plans, five-year strategic plans, meeting KPIs in service agreements, artistic excellence, innovation, excellence in governance, agreed and transparent service levels, reward for artistic success, and ultimately, satisfying the definition of an MPA company.

- Change should be considered following examination of the whole system of grants and funding, not a single – albeit prominent – area.
- The preservation of MPA funding has bred resentment within the arts community that can only be ameliorated by a genuine revision of all government arts funding.

MEAA cannot support major change when the principal concern with arts funding has been the political class's devaluation of arts funding across all sectors and all scales of artistic work. Making changes now would act as a tacit acceptance that the current state of arts funding represents an acceptable status quo.

### **About MPA Companies**

In the Australia Council's most recent (2018) annual report, audience numbers were 4.1 million people across Australia. This included 3.5 million people attending over 6,200 performances, exhibition visitors and 660,000 participants in workshops or classes. Critically, MPA companies provided employment opportunities to over 10,000 people, over half of whom were artists or creatives.<sup>2</sup>

Companies funded through the MPA Framework employ many of MEAA's approximately 10,000 members in our Equity (performers), Musician and Entertainment Crew and Sport (technicians and other venue personnel) sections. The stability and certainty enjoyed by MPA companies flow through to our members on stage and off.

This is not to say that MEAA and its member support the MPA Framework above all other programs. Many of our members, especially those that were active in the small to medium arts sector, lost work opportunities as a result of the chronic mishandling of the Commonwealth's arts budget since 2014.

The total MPA funding pool for 2017 was \$157.5 million. The Commonwealth provided \$108.5 million (68.8%), with states paying the balance. The funding breakdown by performance area was:

- Orchestras received \$81.3 million (51.6% of total funding) in 2017.
- Dance gets \$20.89 million (13.3%)
- Opera received \$25.98 million (16.5%)
- Theatre \$23.89 million (15%)
- Music (Brandenburg, ACO and Musica Viva \$5.36 million (3.4%)

### **Accountability**

To become an MPA company, organisations must meet a set of state and federal government-agreed criteria. The criteria include:

- presenting work of a high artistic quality
- fostering a vibrant and sustainable cultural sector, including building the sector's economic and artistic potential through collaborations with small to medium performing arts companies
- demonstrating a leadership role in the development of performing arts encompassing the development of artists, a commitment to the creation of professional development opportunities for young and emerging artists and a diversity of artists
- demonstrating a commitment to engaging with audiences in regional communities

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<sup>2</sup> Australia Council Annual Report 2017-18

- being governed by a responsible board and having strong financial management, which includes a mix of strong reserves, working capital and operating margin
- making ongoing improvements to its business which strengthen sustainability and reduce reliance on government subsidy over time<sup>3</sup>.

Although it is true that MPA companies are not subject to a competitive funding process, their activities are transparently benchmarked. The Council itself is bound to observe the functions set out in the Australia Council Act.<sup>4</sup> The Council closely monitors each MPA company against agreed outcomes and performance indicators, which are reviewed annually with all government partners and input from the MPA Panel, which was established to assist with overseeing the MPA framework and to provide advice on specific company and sector issues.

### Recent History

It is now four years since former Minister for the Arts, George Brandis, promoted his disastrous arts funding reforms, principally the diversion of \$105 million in Australia Council funding to the short-lived National Program for Excellence in the Arts (NPEA), in addition to the cuts in 2014 totaling approximately \$28 million over 4 years and efficiency dividends.<sup>5</sup>

The Council itself advised a Senate Inquiry in 2015<sup>6</sup> that 'the total reduction to the Australia Council appropriation in 2015-16 [was] \$31.5 million.'

The cuts included:

- Immediate suspension of the June 2015 round of grants for Arts Projects for Individuals and Groups
- Arts Projects for Organisations reduced from four rounds per year to two rounds per year, with reduction in maximum grant amounts from \$150,000 to \$100,000
- Development Grants for Individuals and Groups reduced from four rounds per year to two rounds per year
- Fellowships reduced from 14 to 8
- Suspension of the Six Year Funding for Organisations
- Cancellation of the ArtStart, Creative Communities Partnerships Initiative and Artists in Residence Programs
- Regional program funding cut by almost \$4 million per annum
- Australia Council grants and initiatives reduced from \$45.29 million in 2013-14 to \$18.439 million in 2015-16

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<sup>3</sup> AMPAG 2016 Snapshot

<sup>4</sup> The functions of the Australia Council are to formulate and carry out policies designed to: promote excellence in the arts; provide and encourage the provision of opportunities for persons to practise the arts; promote the appreciation, understanding and enjoyment of the arts; promote the general application of the arts in the community; foster the expression of a national identity by means of the arts; uphold and promote the right of persons to freedom in the practise of the arts; promote the knowledge and appreciation of Australian arts by persons in other countries; promote incentives for, and recognition of, achievement in the practice of the arts; and encourage the support of the arts by the states, local governing bodies and other persons and organisations

<sup>5</sup> The 2014 Federal Budget saw government funding reduced by: \$9.64m in 2014-15; -\$6.05m in 2015-16; \$6.18m in 2016-17; and \$6.3m in 2017-18

<sup>6</sup> Inquiry into the impact of the 2014 and 2015 Commonwealth budget decisions on the arts

Notwithstanding Minister Fifield's restoration of \$8 million per annum to the Australia Council in late 2015 After the NPEA was abandoned, and upon the collapse of the Catalyst program in early 2017, a further \$30 million over four years, the Australia Council remains worse off than it was in 2014.

The Australia Council's 2017-18 annual report clearly sets out funding for Council Grants and Initiatives was \$45.3 million in 2013-14, but has been on a downward trajectory since, with funding of \$24.3 million in 2017-18. Likewise, Government Initiatives funding was \$28 million in 2013-14, but now sits at 24.4 million, with funding in intervening years recorded as low as \$14 million in 2016-17.

The return of funds still left a shortfall of approximately \$25 million over four years.<sup>7</sup> As The Australian's Matthew Westwood wrote following the restoration, after all commitments and reallocations of funds to other bodies, including the federal Arts department, 'the amount available to the Australia Council in new, discretionary funds is just \$3 million next financial year'.<sup>8</sup>

As a whole, government revenues to the Australia Council remain \$10 million lower today than was received in the benchmark year of 2013-14 (\$218.786 million then compared to \$208.186 million for 2018-19).

In the period since the NPEA and Catalyst 'reforms' were advanced, the arts sector has struggled to make do with reduced funding across disparate funding sources. The principal losers from this decision were artists and artistic groups in the small to medium arts sector, with 60 small companies unable to renew funding in 2016.

As Associate Professor Jo Caust wrote in 2017:

'Groups not funded by the Australia Council in 2016 included national organisations such as the National Association for the Visual Arts, Asialink and Meanjin, an important Australian literary journal. Many contemporary art galleries were defunded as well as many excellent small to medium theatre companies, music groups and community cultural development organisations'.<sup>9</sup>

As Alison Croggon wrote, 'you can't hurt individual artists and small to medium companies without damaging the whole'.<sup>10</sup>

It is this group that is now corralling its ire against what are seen as protected MPA groups who, it has been said, were 'insulated by ministerial largesse'.

Although thoroughly destructive, the mishandling of arts funding at the federal level is not the only 'architectural' issue troubling the arts sector. We refer here to the 2011 MPA Framework reforms and the removal of clear divisions of responsibility for arts funding between federal and State governments.

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<sup>7</sup> After the Catalyst arts funding mess, many questions remain, Jo Caust, The Conversation, 21 March 2017

<sup>8</sup> Applause for reset of funds of funds back to Australia Council, Matthew Westwood, The Australian, 4 April 2017

<sup>9</sup> After the Catalyst arts funding mess, many questions remain, Jo Caust, The Conversation, 21 March 2017

<sup>10</sup> Black Friday – The latest round of Australia Council funding is the culmination of years of cuts and mismanagement of arts funding, Alison Croggon, 16 May 2016.

As the National Opera Review observed of the 2011 reforms, ‘the rationale for the distribution of funding between the Federal Government and the States was no longer obvious’. The Opera Review continued that, ‘the resultant loss of any strategic rationale underpinning the distribution of funding ... has been exacerbated by the fact that not all states have provided annual indexation increases to funding, so the funding proportions have started to shift from what was agreed by Ministers in 2000.

Although the Opera Review supported maintaining the post 2011 funding arrangements, it noted that ‘clear tensions are building up among states as to what are perceived as inequities in the funding distribution ...’<sup>11</sup>

MEAA believe that the core challenge to the MPA Framework rests not so much in refashioning the micro aspects of MPA governance, but in rebuilding a decisive compact between the Commonwealth and the States about how funding will grow over time and re-establishing reliable and enforceable funding divisions.

MEAA submit that the MPA companies should not wear the odium of the sector because they were not overtly harmed by the current government’s reforms in the same way as others. MPA companies generally maintained funding with modest rates of escalation. Figures in the Australia Council’s 2018 annual report reveal funding for MPA organisations since 2011-12:

\$ millions	2011–	2012–	2013–	2014–15	2015–16	2016–17	2017–18
Major Performing Arts	97.3	100.6	103.1	106.0	107.8	109.1	111.0

As the arts writer, Matthew Westwood wrote:

*It’s wrong to suggest the majors somehow conspire to exclude others or that the funding allocation is theirs to share at will.*

*We have a system of major performing arts companies for a reason. Our leading theatre, dance, opera and classical music organisations are custodians of a shared cultural heritage. They are given the resources to maintain a living repertoire of classic works — whether the plays of Shakespeare and Chekhov, or the operas of Verdi and Puccini — and to develop and present work by contemporary artists. They help maintain our national stock of theatres, and are big employers of artists, theatre trades and administrators. In some ways they are too big to fail: the loss of a major theatre company or orchestra would leave a significant hole in a city’s cultural infrastructure.’<sup>12</sup>*

## Conclusion

It is against a backdrop of perceived privilege and a depleted pot of arts funding that the current review of the MPA framework is taking place. It is not wholly lacking in resemblance to the *Lord of the Flies*, with various tribes battling for possession of the conch.

<sup>11</sup> See National Opera Review, recommendation 5.3

<sup>12</sup> Major performing arts: privilege in the spotlight, Matthew Westwood, The Australian, 12 December 2016

The MPA sector deserves stability and predictability. We concur with AMPAG’s observation that:

*While each MPA organisation serves the fragile arts ecology in its own complex way, the stability dividend generated through the MPA framework should not be underestimated as it serves a strategic purpose in increasing the strength of the framework itself, and in turn, strengthens outcomes for the artforms, the artists and the audience.*

*In order to realise the potential of the arts sector as a whole, greater funding is required — from all levels of government and from corporate and philanthropic support.<sup>13</sup>*

With respect, ministers for arts and culture across Australia have a greater challenge before them than the reductive notion that better rules will engender reform and satisfy all parties. This will do little more than foster uncertainty in a sector of the arts that is important and highly accountable.

MEAA stand with other contributors to this review process in stating that the most pressing problem facing the entire arts sector is the needs of all sectors and artforms, not the reapportioning of sparse resources.

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<sup>13</sup> The MPA framework — gaining strength through evolution, AMPAG, 10 August 2018