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Digesting the Report into the... **Small to Medium** Performing Arts Sector

Background

In the wake of the Commonwealth's Major Performing Arts Inquiry [Nugent 2000] that resulted in substantial extra funding*, the wider arts community across Australia were cautiously relieved when two new Commonwealth inquiries were announced that dealt with activity lower down the food chain.

The Myer Inquiry into contemporary visual art and crafts, and a review of the factors influencing the viability of small-to-medium-sized performing arts companies' [SMPA] were announced by State and Federal Arts Ministers comprising the Cultural Ministers Council. The critical question was whether, given a strong case and enough information, governments might be prepared to increase arts funding to these sectors?

Six months after the SMPA report was released, was this raised expectation justified? Arts Nexus first takes a look at the SMPA process, responses from the field and the outcomes so far. [A response to the Myer Inquiry will follow.]

The Process at a glance

- ◆ August 2000 - Cultural Ministers Council commissioned investigation into the financial and artistic viability of the Small-to-Medium Performing Arts sector
- ◆ Working party established.
- ◆ Terms of Reference indicate inclusion of organisations within a mutual agreement with Commonwealth/State funding bodies at \$50,000 per annum over more than 5 years.
- ◆ May 2002 - SMPA Report delivered to the 15th meeting of the Cultural Ministers Council ~ the result of a quantitative survey of 186 producing companies and a qualitative investigation of 291 producing, advocacy and support organisations.

Cultural Ministers Council response

The SMPA sector report represents the first national overview of the sector in Australia. At the 15th meeting of Cultural Ministers Council [CMC] on 1 May 2002, the Ministers issued a communiqué that 'reaffirmed the pivotal contribution made by the [small to medium performing arts] sector to Australia's cultural life.' Also that the Government's expectations for the sector needed clarification, if a better understanding between the SMPA Sector and funding agencies is to be achieved.

The Working Party has identified four key issues for consideration by Ministers.

- Clarification of Governments' expectations of the Small to Medium Performing Arts Sector
- The need to strengthen the Sector's administrative capacity to provide a more stable business and operating environment
- Improved inter-governmental communications and co-funding arrangements, including greater stability and/or equity of funding for organisations
- Enhancing the role that this Sector plays in promoting Australia's culture in the international arena through the performing arts

Ministers agreed on the following strategies:

- The effectiveness and efficiency of funding for the Sector will be improved through enhanced co-operation between the Australia Council, DCITA and State/Territory funding agencies.
- A joint program for medium-size companies [annual turnover \$0.5 - \$1m] and a limited number of other agreed companies will be developed and implemented as a high priority to support them to enhance skills in board governance, financial management, business development, marketing, use of IT, and sponsorship/fundraising.
- Ministers agreed to encourage the Australia Business Arts Foundation, the Australia Council and State and Territory departments to offer strategic assistance for small to medium companies as a matter of priority [to gain skills to raise business funding and sponsorship].

*Extra funding to the 31 Major Companies after the Nugent Report totalled \$71m [\$45m+ Commonwealth and \$25m State funds]

SUMMARY OF FINDINGS

The Working Party found overwhelming evidence that the Small to Medium Performing Arts Sector is essential to the artistic vitality and the ongoing development of Australia's performing arts. The Working Party believes that the Sector is characterized by great diversity, a focus on creative endeavour, a slim administrative structure, a large volunteer workforce, and a commitment to artistic production.

Around two-thirds of the sector responded to survey providing this snapshot of 1998-2000:

- Presented 22,120 performances
- 7 million live attendances
- Over 8 million in broadcast audiences
- 171 metro, 253 regional, 228 interstate tours
- 105 international tours
- Had 160 works in repertoire
- Created and presented 5000 new works
- Conducted 12,000 workshops/masterclasses
- Employed 6000 people annually
- Had 5000 unpaid workers or 'volunteers'
- Provided 400 trainee opportunities
- Had an economic impact of \$147m
- Earned income of \$53m

Regional/ Rural/ Remote Impacts

The SMPA sector makes a particularly important contribution to the cultural life of regional centres and smaller cities, often being the main arts organisations operating in those areas. By actively engaging local communities, sector organisations promote the understanding and acceptance of artists and their work as integral to the well-being of their local communities.

Access and Participation

Additional to the impact in regional Australia, the SMPA sector provides a large number of young Australians with opportunities to participate in the arts. The engagement of young people is a role embraced through the delivery of extensive workshop programs, large-scale participatory events and festivals,

performances in schools, and low price entry point for people who may not be able to afford to attend the work of major organisations.

Unlike the major organisations, the SMPA sector includes works specifically for people with disabilities, multicultural performance, choirs, community and new music, experimental arts and new media. The sector offers many employment opportunities and has a considerable economic impact.

Development of Australian Works

The sector is the main source of development and presentation of new Australian works in the subsidised performing arts. Of 1,715 theatre, dance and cross-artform works presented by the surveyed organisations, over the three-year period, 1,597 or 93%, were Australian works.

Music organisations presented 6,800 works over this period of which 1,726, or 25%, were Australian works. By comparison, data from the Major Performing Arts Inquiry (MPAI) showed that 59% of dance and theatre works and only 8% of music works presented in 1997 and 1998 by the Major Performing Arts organisations were Australian works.

Innovation and Experimentation

A key contribution is to artistic advancement and the SMPA sector plays a fundamental role in research and development, experimentation, innovation and risk-taking with a commitment to new Australian work and diversity of artistic form. The Sector is seen within the arts more broadly as the crucible for new ideas and approaches to creating and presenting work, presenting new works at more than double the rate of the major companies.

Barriers to Audience Development

Innovation and a primary focus on new works appears to come at the cost of audience development and box-office income. Despite growth in audiences, the Working Party believes this is a major challenge, requiring the sector to pay closer attention to a number of barriers to audience development identified by the sector.

These Barriers to Audience Development are:

- Audience resistance to or a lack of a following for 'riskier' work can make audience growth difficult, particularly in regional areas
- Inadequate facilities and shifting venues can deter audience attendance
- Performance seasons can be too short, affecting word of mouth
- Other entertainment options make it harder to attract young audiences
- Lack of critical mass of regular work, including an inability to operate a subscription season, impedes the growth of audience loyalty
- Fewer media advocates for riskier performance work
- Limited market research resources/ability

Although the Working Party said the diverse range of companies [size and brief] highlighted difficulties in developing a sector wide strategy, it believes the sector would benefit from a greater investment in appropriate marketing strategies for audience development to:

- Increase corporate understanding of investment in research and development in the arts
- Increase local appreciation of arts in a community.

Contradictions

Finally, there exists a continuing pressure from Government funding agencies for the sector to become more self-sustainable whilst at the same time advance the arts through innovation and experimentation. The interplay between these two apparently competing objectives represents the underlying challenge of the relationship between Government and the SMPA sector. Fundamentally, the sector is committed to the development of new work and presents itself as creative above all else but Government funding agencies are concerned with a range of specific outcomes relating to the accountability and reach of public funding to and beyond the sector.

International

The Working Party believes that the Small to Medium Performing Arts Sector makes a significant contribution in promoting Australia's international cultural profile.

Financial Viability

While the sector as a whole is in surplus the financial stability is finely balanced, with some areas under financial stress.

Funding

Government subsidy at over 50% is the greatest proportion of the sector's income. Although there was a slight increase in State Government funding of 7% through the research period, Australia Council funding remained static, an issue of concern for 56% of organisations, and singled out by the Sector as of critical significance. Corporate sponsorship was increasing but this was most significant in the 25% of companies with a turnover above \$500,000, dominated by companies in NSW.

Improved coordination, co-funding transparency and protocols, and rationalised State/Territory reporting frameworks were flagged.

Employment and 'Volunteerism'

Paid workers made up 46% of the sector [6000 jobs] while unpaid workers made up 54%. While the figures were better for theatre and dance workers, unpaid musician calls represented 84% of all musician calls. For administration, 60% was unpaid work, with burnout and turnover major challenges. Across all organisations, there was less than one full-time person in management and less than 0.5 in marketing/development. Many organisations cited reliance on unpaid workers to sustain the work was a critical issue.

Summary of responses from the field

Most respondents indicated that while they believed they had been sympathetically heard, solutions fell well short of a remedy.

In Julie Dyson response for [Ausdance](#) she noted that while State and Commonwealth allocations were listed, the report was short in analysing the future financial viability of companies, and...

'...the lack of political will by the Cultural Ministers Council in following up with a firm statement about the sector's future is disappointing'.

In concurring with the report's findings of the current vulnerability of the dance sector nationally, Dyson then zoomed in on the main cause - all triennially funded dance companies in 2002 being moved to one year funding, and...

'...the strong belief that since the establishment of the Major Performing Arts Board [MPAB]...there has been a widening gulf between the 'haves' and have nots'. The Dance Board is seen to be operating on left-over funds'.

Dyson indicated that the loss of funding for dance had followed the 'serious divisions' in dance categorisation following the setting up of the MPAB and the Hybrid Arts Board. In calling for transparency in the protocols and processes by which a company is designated to, or excluded from, the MPAB, Dyson said:

'Many of the so-called 'small to medium' dance companies consider themselves to be 'major' based on their creative output, management skills, and international profiles'.

[Just Us Theatre Ensemble's](#) Artistic Director in Cairns, Suellen Maunder, agreed the terms 'major' and 'small to medium' give an indication of how the funding bodies perceive these sectors.

'Both sectors were found to be struggling to make ends meet due to lack of resources to support companies, but while the 'majors' received significant new dollars invested, the SMPA report recommended we learn better how to manage what little money we have! If the issues were similar, why are the recommendations so different? It disregards the SMPA sector as a *major* contributor in creating 93% of new Australian works, as well as its major role in the cultural life of regional centres and smaller cities where there is a connection to the community and the real business of arts in telling their own stories'.

Maunder rejected the suggestion that the SMPA sector be seen as a training ground for a career trajectory into the 'major' sector.

'The small-to-medium sector should *not* be regarded as the nursery for artists to 'graduate' to the major companies, but a valid artistic destination in its own right, in the diverse performing arts 'ecology'.

[See [Cultural Biodiversity](#) article from the Artistic Director's Retreat 2002 for one in-depth response].

The [Music Council of Australia \(MCA\)](#) Executive Director, Dr Richard Letts AM, responded by saying the SMPA report raises many more serious questions about the sector than it purports to answer.

'The report paints a sympathetic and insightful picture of the SMPA sector and its contribution to Australian life and culture, however the outside observer is drawn to one of two conclusions: the report was intended as a quick scan of the sector which could guide an investigation as thorough as, though preferably not modelled upon, the Nugent Inquiry into the major performing arts organisations; or alternatively, it was intended only as an empty gesture of response to the calls for action in support of the SMPA following the Nugent Inquiry.'

Another cynical correspondent commented even before any sustained lobbying commences...

'Perhaps one of the reasons for the [industry's] silence is that this investigation did not have the capability of increasing funds, and so it was a toothless exercise at best. What is needed is increased funding and what has occurred since the timeframe of the report (1998-2000) has been a marked decrease in funding.'

Dramatic Online

The General Manager of [Country Arts WA](#), Andy Farrant said the recommendations made by the CMC, while welcome, fall well short of providing any real solutions.

'Of the funds directed to the major organisations from the Nugent Inquiry, none are directed to regional services,' he says. 'It is the small to medium [sized] companies who are working and performing in Australia's country areas, as well as providing the lions' share of export earnings through international touring.'

Farrant says the sector will need to lobby effectively in order to bring about change.

'It's up to all of us to make sure that every State minister has a strong argument.'

The [Arts Industry Council Victoria](#) affirmed that the troubles confronting such companies are both immediate and obvious.

'It is not as though the crisis is hidden: yet another GM of a well-known medium (sized) arts organisation resigned last week, feeling that the financial situation of the organisation was just too dire to be able to continue. One problem could be that the effects of a disintegrating small to medium sector will not be fully apparent for some years, and therefore do not warrant immediate attention.'

Working at the regional coalface, Dance North's General Manager, Henry Laska, said from Townsville that he has not been able to offer full-time annual contracts to his dancers for two years due to static funding.

'We're going backwards, fighting against increasing wages and other costs. This is a critical review, because companies are struggling with their financial resources, especially in dance.'

Dance North is one of only two regionally-based dance companies in Australia.

'We need both the advocacy that such a report can bring, and, critically, the extra funding, to ensure that the company's vital research, training, creative, professional and community activities can be allowed to continue. We have to be sure these companies don't die. Dance North has been around for 33 years, and we want to be around for at least 33 more.'

But sponsorship alone is not the answer.

'We have real trouble sourcing sponsorship because there are no major company head offices in Townsville. As soon as our request is passed "down south", that's it.'

General Manager of Back to Back Theatre, Nicole Beyer, is concerned that companies are already finding it harder to recruit suitably qualified and experienced managers, due to low pay and inevitable long working hours.

'The Cultural Ministers Council review found that generally, within individual organisations, human resources were very limited, consisting of less than one full-time management or administration staff member, and less than 0.5 of a full-time position for marketing and development.'

Beyer adds that although arts managers are by and large incredibly competent, issues such as static funding and a lack of real communication with boards place them under extraordinary pressure, saying it's vitally important that arts managers and artists be paid a decent wage.

'I think that we need to start paying people properly, for a start,' she says. '\$40,000 for a CEO position [general manager or artistic director] is just not good enough anymore. That also includes paying artists properly.'

There is a huge incidence of burn-out, or at least high stress and associated health problems. This is pretty clear when you look at the recent turnover rate of GMs, in particular. Not very many GMs last more than two years, and many much less than that.

High turnover means a lot of the GM's job falls to the artistic director which will obviously affect the company's work.'

Dramatic Online's Karen Mehan added:

'Overworked and underpaid. It's an age-old claim, and one that is accepted as almost a by-law of working in the arts industry, especially for those in smaller companies.'

'But some arts industry workers are beginning to question the long-term effects on the industry of such constant and unrelenting under-resourcing, and of a consistent lack of support and professional development opportunities for company managers, in particular.'

Commented one burnt-out company manager, who recently resigned a post, mostly due to overwork.

'I would say that generally among the sector there is an unrealistic expectation by boards of the skill-level of managers versus the pay, and of the workload that it's possible for one person to handle.'

Vic Theatre Network formed as a response to the SMPA sector initiative in order to provide a unified voice. General agreement was found on the issue of government funding being insufficient for both seeding the development of promising theatre workers, and for assisting in transition from working on a project-by-project basis to a formal company structure. Creative ensembles were seen as particularly fragile in this regard, but were viewed as essential for the sector to retain its vitality.

As a recent forum, delegates indicated that funding was also seen as a trap, consuming too much time in administration, long-term planning and 'dreaming up projects to fit the fund criteria'.

The issue of the festival-driven arts economy was also raised, with representatives of ensembles and smaller performance groups seeing an imbalance between the outpouring of adventurous creative activity during the Melbourne Fringe and Next Wave, versus a perceived lack of performance opportunities offered at other times in the year.

Footnote: This summary of responses was compiled from various sources. In particular, Arts Nexus is grateful to *Dramatic Online: the online home for Australian arts workers*, for providing a repository for most of the SMPA sectors' full responses.

W: www.dramaticonline.com



The Place of the SMPA sector in CULTURAL 'BIODIVERSITY'

The following statement was developed from notes of discussions on the Small-to -Medium Performing Arts [SMPA] sector report at the inaugural Artistic Director's Retreat in Ballarat in October 2002.

Attended by around 40 Artistic Directors from small-to-medium companies, this national meeting was the first of its kind in providing an opportunity for national networking and the sharing of issues in common.

The Retreat was co-hosted by the Victorian Centre for the Arts and Melbourne Festival, with assistance from the Australia Council for the Arts.

In explaining the place that the SMPA Sector sees itself in the greater picture of the cultural environment of the Australian culture, we wish to draw on the metaphor of biodiversity, as a way to view one's connection into the larger picture.

As recognised by the report to the Ministers, this 'sector' is essential to the artistic vitality and ongoing development of Australia's performing arts, its main source of new works.

In recognising this we came up with the metaphor as a way of thinking about supporting the sector and of seeing a way to providing a sustainable system. In simple terms, the forest needs its old growth, its under-storey, its ground covers. The terminology of upward, downward, size, etc., is not indicative of value in this system.

Metaphoric terminology for this ecosystem.

Biodiversity: [a diverse range of practice]. In ecological terms, the cultural system needs a full gamut of biodiversity to exist in the first place, and to renew and sustain itself. This is the range and flexibility of the working models. We recognise that the diversity of forms and practice is the fundamental strength of this sector.

Species: genetically different, keep their own integrity [**genotypes**], reproduce, but interplay with each other, often in very subtle ways. Species often require very specific elements in order to exist. One species cannot serve the purpose of another. Some species like to be en masse, some are relatively unique.

Biomass: the sum total of the system. May be measured in carbon units.

Required energy: measurable amounts and types required to keep the system healthy. There is a resource cost to sustaining the system. Much of this could come from within the system - large trees drop mass to create mulch, etc, but can anyone see the 'major' orgs handing over resources they don't need? Sunlight and rain falls on all, but the dollars just aren't dropping?

Resource hungry species should not determine the amount of resources others require. No species knows better what its requirements are except for that species.

Resource costs are not just dollars. In the case of SMPA sector they are often human, ephemeral and need to be seen and treated differently.

Life cycles and spans: Individual plants have different life spans but even in an old tree falling, it provides cover and habitat for other species.

Methods of reproduction: seeds, or new ideas, memes, or investment in the future towards continued survival.

Exhalation/conversion: Carbon dioxide to oxygen. Social outcomes, while sometimes the core business, are often an exhalation.

If a species does not have enough resources, it will wither and die. This may be fast or slow.

Every element has its part to play. By burning off the native grasses, you lose something that cannot be replaced. By flooding the system with new species you lose the basic integrity. Without the tall trees, the under-stores and ground cover cannot exist. A decimated ecosystem lacks beauty, strength, an ability to reproduce, to nurture new growth.

It is the interplay between the different species that gives full life to the environment. We recognise the essential nature of diverse species and that the eradication of one species has a major effect on the entire system.

As workers in the sector we interact with each other through a sharing of ideas and processes. The integrity of the different species is important.

We do not yet know what new vital discoveries to our future existence may be found within this system. Some seeds that are planted now will not reach their maturity for many, many years, or centuries.

We recognise that careful management and nurturing is required. Too little too late and the system collapses. Introduction of weeds [things that do not belong in the system such as unnecessary administration, etc] chokes the system, reducing its 'capacity for creative innovation'.

It is apparent that the resources necessary for the sustaining of this system are lacking. Also that much seems to be choking it at the very level that it needs to be nurtured.

The Artistic Directors' retreat has shown that

- A great deal of goodwill and cooperation exists between the forty representatives present [interspecies interactivity].
- All practitioners feel secure in their arts practice (a strong sense of their species).
- There is a great collective concern at the potential decline of the sector and the long-term effect of this on the entire system, the greater Australian culture, and its development and sustainability.

Well-being, relationships and inter-relationships, sustainability. A covenant that states how we want the land to be left for our collective future.

David McMicken ~ October 2002

This paper by David McMicken was a response from those attending the Retreat, and is not meant to 'represent' the sector as a whole.



The Myer Inquiry Report:
*Report of the Contemporary
Visual Arts and Craft Inquiry*

now available
for viewing on-line
from DCITA's website at
<http://www.cvacinquiry.dcita.gov.au>