



The Brisbane Powerhouse

Local government has long been one of the country's strongest supporters of arts and culture. From libraries to municipal galleries, from music education and arts festivals to public art, councils have been active in our cultural life.

The curtain falls

While many local governments are facing rising demand for arts and cultural services as a result of population growth and an increasingly culturally engaged community, increasing fiscal strain at local government level has increased pressure on direct funding of arts and community programs and services. These services now face sustainability challenges as the rate base and other income sources struggle to keep up with increasing demand.

In 'The Curtain Falls', the 2015 industry trend report on Performing Arts Venues in Australia, IBISWorld

highlights the role of local government in providing funding support for arts facilities and programs. Noting that publicly owned and operated venues "have wider cultural objectives" and "aim to minimise the time theatres are left unused". Supporting wider community access to venues impacts profits, and as a result many facilities operate on a break-even basis.

Recognising the value of arts and culture in creating healthy and sustainable communities, local government remains committed to funding arts and culture but is recognising the need to respond strategically to structuring and delivering programs

which generate community value. They are also looking at creative ways of engaging the community in arts and culture and looking to their assets to optimise revenue to support continued delivery of services.

Over two decades Positive Solutions and The Maytrix Group have been working with local governments in Australia to address these questions. Our roles have often been to address a specific challenge such as cultural and strategic planning, enhanced revenue generation to support future asset management and programming or organisational review. Recent work is increasingly focussing on providing an integrated approach which optimises the cultural life of community and maximises the return on council's cultural investment.

It starts with corporate policy, structure and resourcing

Arts and culture has often occupied an isolated position within councils. Grounding cultural planning in a clear evidence base – supported by market research, benchmarking and other data – is an increasingly important starting point. Beyond this, finding ways of connecting with and addressing the priorities of other sections of council – tourism and events, economic development, placemaking – can strengthen the case for culture and build a larger resource base.

A 2015 report commissioned by the WA government acknowledges the “high level of community

aspirations and local government activity in arts and culture” but also highlights “a low level of comprehensive strategic planning for arts and culture.

Nearly 80% of respondents to a local government survey reported that a barrier to fulfilling their aspirations for arts and culture was that “higher priorities are chosen given resource constraints”.¹ It is partly a penalty for culture being treated as a stand-alone element in a council's planning and thinking.

Integrating cultural planning into council's long-term corporate planning can ensure that cultural delivery benefits from all of council's assets – including the knowledge of many officers in ‘non-cultural’ sections of council. However, a holistic and coherent approach to cultural services has sometimes been missing,

Evolving delivery and resourcing

...the capital expenditure responsibilities of local government have raised concerns regarding both the ‘renewal’ of existing infrastructure and a rapidly growing infrastructure ‘backlog’²

In seeking greater efficiency or impact many local governments are looking to alternative delivery structures. For example, some have set up new units or arms-length bodies for their venue operations. Brisbane Powerhouse and City Recital Hall, Sydney, are examples. Others have outsourced to commercial venue management, such as Melbourne Town Hall and Hawthorn Arts Centre, or to non-profit organisations, such as Wollongong Town Hall,



operated by Illawarra Performing Arts Centre. The Maytrix Group and Positive Solutions have been involved with each of these projects.

A recent UK study found that over 60% of local governments had set up or were considering setting up stand-alone entities to deliver cultural services. Other delivery models actively being pursued included commercialising institutions and services to generate new revenue streams, and 'mutualising' cultural service delivery teams - a sort of management buy-out.³

Another option - sharing of services between agencies - is still a fairly novel path. But it may be set for expansion. In June 2016 the NSW Government issued a background paper on such cross-boundary working - 'Fit for the Future: Joint Organisations - Towards a new model for regional collaboration'. Its focus is smarter regional planning, resource-sharing, and cost reductions.

There are some interesting ways in which local governments have begun to respond to the resource challenges, both around Australia and overseas.

Within current operations there may be a number of revenue-enhancing opportunities. Many local government officers and arts managers have limited experience in commercial ventures, including the retail, catering and functions industries. However, these functions present important opportunities

for income generation through mediums such as festivals, events, cultural facilities and town halls. Harnessing specialist advice to unlock this potential is an obvious first step.

Cost reductions may also be secured by carefully considered restructuring. For the City of Shoalhaven, NSW, The Maytrix Group and Positive Solutions examined ways of improving efficiency within the Entertainment Centre's and Council's catering operations, but also advised on Centre management processes and on relocating visitor information services into the Entertainment Centre to reduce staffing costs and overheads.

Engaging communities to support sustainable program and services

The delivery of a cohesive arts and cultural program and services, embraced by the community, is not simply about delivery but about creating ownership and relevance - a sense of place in the hearts of the community. To achieve this councils are increasingly looking to leverage their assets to activate and engage, to excite and energise.

For some time, councils have explored the option of creating cafes in libraries, galleries and performing arts centres to create a sense of vibrancy. Cafes are a gathering place and focal point, and they help to



Royal Botanic Gardens Image by Jardin Tan



animate the area, particularly during periods where the facility or precinct might otherwise lack vibrancy.

Rather than install expensive infrastructure the idea of ‘pop-ups’ is being embraced as a cost effective strategy as well as a mechanism to retain relevance through constantly refreshing or ‘curating’ the concept being provided. This can be in the form of a café, a retail shop or a stage.

To engage the wider community and support economic development, the idea of arts or business incubators is increasingly being explored. Such incubators have their origins in the United States and the concept has become widely regarded as an effective approach for councils to foster local businesses. The use of council facilities to support and retain creative and business activity in the local area has been adopted by councils such as Burrinja in the Yarra Ranges (Victoria), or through co-working spaces such as scheduled in the current redevelopment of the Broadmeadows Town Hall in the City of Hume, Victoria. Other (independent) examples of creative business incubators include Metro Arts, Brisbane, The Jam Factory in Adelaide (an incubator and cultural centre for the contemporary craft and design sector) and Queensland University of Technology (QUT) Creative Enterprise Australia.

Some councils have taken the opportunity to increase demand through offering new or improved facilities and extended access to services - Hawthorn Town Hall and the current redevelopment of the Broadmeadows Town Hall are two recent examples. While these facility developments can activate and create a sense of place and of ownership, they also improve commercial return.

Rethinking the delivery and efficiency of services opens up the opportunity to consolidate services over a number of council facilities and services. City of Greater Bendigo recently examined how ticketing and venue management services could be linked across the City as a whole. The future system would be required to integrate with the existing Finance and other management systems – and create cross-promotion opportunities, for example with local accommodation providers. Positive Solutions was engaged to carry out this review, and prepare a specification for system procurement.

Emerging strategies – Beyond the traditional

In addition to seeking cost-efficiencies through organisational review, or increasing revenue generation by leveraging council’s cultural assets and pursuing commercial opportunities, there are some



Northern Rivers Arts and Culture *Photograph courtesy of Arts Northern Rivers*

less familiar approaches including:

- New financing mechanisms beyond 'traditional' funding
- New forms of partnership
- New delivery models

Positive Solutions has been assisting Sunshine Coast Council with recruitment to a new Arts Advisory Board which will be charged with developing and overseeing the Council's cultural strategy, with support from Council officers. Sitting alongside the Board will be a Foundation, which has the task of securing revenue from third party sources, to leverage Council's investment in arts and culture. Coffs Harbour in NSW has, similarly, established a Cultural Trust.

It is not only in Australia that innovative responses to financing cultural development are occurring. Looking overseas, the Community Arts Stabilization Trust in San Francisco is a cultural property trust which provides a vehicle for cultural facilities to exist as community-owned assets.

Other opportunities being explored range from crowdfunding, where there are now many examples

of cultural projects securing backing, to the exploration of debt and equity finance in the cultural sector. This is a significant departure from traditional grant-making – or the more recent contract-for-services model.

In some cases independent cultural organisations receiving funding from local governments can consider the use of 'social enterprise loan' financing for the development of new income streams or, in the case of Queensland, support provided in the form of both a grant and loan from the Arts Business Innovation Fund (ABIF). Also in Queensland, Foresters Community Finance provides microloans with its QuickstART Fund, which was originally an initiative of Positive Solutions. This is being looked at closely interstate and at Federal level.

¹ Secrett, L., Boston, H., Kasat, P., et al. (2015). Arts and Culture In Western Australian Local Government Report. Retrieved from <https://www.cacwa.org.au/documents/item/292>

² Johanson, K., Kershaw, A., & Glow, H. (2014). The Advantage of Proximity: The Distinctive Role of Local Government in Cultural Policy. *Australian Journal of Public Administration*, 73(2), 218-234.

³ Mansfield, C. (2014). *On With the Show: Supporting Local Arts and Culture* London: New Local Government Network.



Healthy communities need healthy arts and cultural services. Resourcing those services is becoming more challenging, more diverse, and undeniably more interesting. Both The Maytrix Group and Positive Solutions are enthusiastic participants in this exploration of new approaches to strategy and service delivery. We look forward to continuing this dialogue, and continuing to serve local governments throughout the country.

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