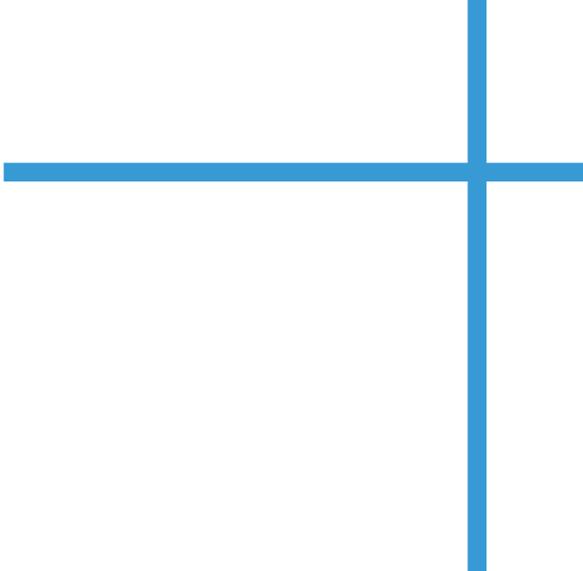


ARTS SOUTH AUSTRALIA STATUTORY AUTHORITY GOVERNANCE STRUCTURES REVIEW REPORT



GHERASHE CONSULTANTS_{PTY LTD}
'A good question will always trump a good answer'



ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of what is now known as South Australia, particularly the Kaurna people of the Adelaide Plains on which the arts and cultural organisations included in this Review are based. We pay our respects to Aboriginal Elders, artists and communities, and to their living culture.

DISCLAIMER

This Review was developed for the South Australian Government by independent consultants.

It draws on information and opinions provided by many community stakeholders. It does not necessarily reflect the views of Government or indicate Government commitment to a particular course of action.

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EXECUTIVE SUMMARY

South Australia currently has 13 arts and cultural Statutory Authorities and Government-owned Public Corporations overseen by three State Government departments.

Together, these make a significant contribution to the State's identity and economy, and represent the long-term, strategic investment of successive State Governments into the sector.

Ongoing evolution of these important flagship organisations is vital to maintain and grow this contribution and respond appropriately to a changing world.

This Review was a recommendation of the 2019 Arts Review for South Australia. The extensive consultation from that Review raised some questions about the governance structures and practices of these important organisations, and identified opportunities related to increased collaboration and diversity.

This Review is an excellent opportunity to examine these issues in greater depth and recommend reforms to increase the overall efficiency and effectiveness of this important group of organisations. It envisions a future in which the State's arts and cultural Statutory Authorities and Government-owned Public Corporations are strong, thriving and fit-for-purpose. Operating at their optimal level – individually and collectively – and leading contemporary governance and operations best practice. Where they are maximising their benefit for the South Australian community, as well as national and international audiences. Achieving this will require change.

However, change for its own sake should always be avoided, particularly during such uncertain times. South Australia's arts and cultural sector is currently experiencing an unprecedented level of vulnerability. Australia's economy is depressed, international relations are disrupted in several regions, and external market factors signal an uncertain, challenging and 'roller coaster' future. This year's bushfires, four-year funding announcements from Australia Council for the Arts, and the ongoing impact of COVID-19 (C19) have further impacted the local sector, forcing many organisations to re-imagine or reduce their work. Full recovery could still be two or more years away.

The Review has examined the vibrant group of organisations within the scope of this Review, which have successfully fulfilled their role and significantly contributed to the State over many years. These organisations have learned how to operate appropriately and fulfil the requirements expected of their status. Many distinguished South Australians have and continue to serve on their Boards, and their talented and committed leadership and legacy is evident.

However, this Review also found that current governance practices have not been reformed or evolved in line with contemporary best practice. It has identified a lack of clarity with regard to reporting lines and accountability between the organisations' Directors, Boards and Government. It has identified the lack of formal mechanisms for the Government to communicate specific expectations or align organisational performance with strategic Government priorities. Much work can be done within the current structural framework that would deliver significant benefits for each organisation, across the cohort, and the broader South Australian community. These changes will deliver greater efficiencies, transparency, diversity and establish a more formal framework for strategic collaboration.

With such reforms to governance practices, this Review identified that substantial reform of the majority of the institutions' current governance structures is not necessary at this time. In fact, retaining core cultural infrastructure for the collecting organisations and the State's performing arts complex as Statutory Authorities ensures ownership and control of all the assets, including all buildings and the extensive collections, remains within Government.

However, this Review has also identified an opportunity and merit to transition the three performing arts organisation to independent governance structures. The Review makes this Recommendation based on a number of benefits including increased autonomy and a reduction in some compliance requirements. The change would enable a more streamlined alignment with the National Performing Arts Partnership Framework that provides ongoing financial investment in partnership between the federal government and the South Australian Government. This framework will be implemented in 2021-22 and therefore presents a timely opportunity.

In response to these findings, this Review makes three recommendations which should preferably be actioned in sequential order:

- The first recommendation that State Government should implement a comprehensive program of **foundational reform** to improve the complete cycle of governance practices for all arts and cultural Statutory Authorities and Government-owned Public Corporations.
- The second recommends that State Government should **support three performing arts producing organisations to transition to independent governance structures** (recommended as Companies Limited by Guarantee): State Opera of South Australia (SOSA), State Theatre Company of South Australia (STCSA) and Australian Children’s Performing Arts Company (Windmill).
- The third recommends that State Government should support any or all of the following arts and cultural Statutory Authorities and Government-owned Public Corporations that **choose (‘opt-in’) to transition to independent governance structures** at an appropriate time (recommended as Companies Limited by Guarantee): Adelaide Festival (AF), Adelaide Film Festival (AFF), and South Australian Film Corporation (SAFC).

See Part 1 for more information on key findings and recommendations.

See Part 2 for macro context behind this Review.

See Part 3 for background, scope and methodology.

See Part 4 for more information on the reasons, barriers and models for reform, and outlines key benefits, costs and risks, as well as mechanics and incentives.

Supporting information can be found in the Appendices in Part 5.

PART 1 SUMMARY, RECOMMENDATIONS AND FUTURE OPTIONS

1.1 SUMMARY OF KEY FINDINGS

1.1 SUMMARY OF KEY FINDINGS

GOVERNANCE PRACTICES

This Review has identified that the governance practices (defined as organisational oversight and non-operational management) of South Australia's arts and cultural Statutory Authorities and Government-owned Public Corporations have not been reformed or evolved in line with contemporary best practice.

This Review defines 'best practice' as an agreed consensus view of the optimal or ideal activities that are undertaken in a particular area of activity. 'Best practice' in governance includes areas such as ongoing review and reform, demonstrating diversity across the organisation, ensuring access, equity and transparency and ensuring maintenance and compliance with a robust suite of policies and procedures.

This Review noted a lack of consistent and/or centralised skills-based Board recruitment, induction, training and resources (currently the responsibility of each individual organisation). In part, this is currently being addressed through a separate audit and report looking into Board Capacity Development to support the delivery of the Arts Review Recommendation 6.1.

It identifies in some areas a lack of Board diversity including, demographic, cultural background and LGBTIQ. In part, this is currently being considered through a separate audit being undertaken for consideration by Government.

REPORTING LINES AND ACCOUNTABILITY (STATUTORY AUTHORITIES AND GOVERNMENT-OWNED PUBLIC CORPORATIONS)

The governance structures (defined as organisational structure or legal type) of South Australia's 13 arts and cultural organisations within the scope of this Review comprises 11 Statutory Authorities determined by 11 independent Acts, and 2 Government-owned Public Corporations. The Acts include several inconsistencies, including Board membership, and the current structures lead to differing interpretations and understanding of reporting lines and accountability.

1.1 SUMMARY OF KEY FINDINGS

The Acts classify the Director of each Statutory Authority as a Public Servant, or Public Sector Employee, and can only report to other Public Servants and not an appointed Board. Directors formally report to the Minister (who may delegate this responsibility to a Department official). However, some Directors currently believe they have dual reporting lines, or that their direct accountability is to their Board. For example, Government currently has the sole power to appoint or remove any Director with or without the support of their respective Boards. This is counter to the principles of corporate governance, in which Boards have full responsibility for such matters, and risk creating further confusion and/or the appearance of Government overreach if invoked. See Page 44 for more information.

STRATEGIC DIRECTION AND COLLABORATION

This Review has identified little collaboration between organisations in terms of achieving strategic goals or sharing of services, and a lack of standardised performance measurement and reporting frameworks. Recommendations 8 and 13 of the 2019 Art Review highlighted the need for standardised performance measures and encourage strategic collaboration between organisations.

Organisations currently submit their Strategic Plans to Government, but a clear and consistent statement of Government expectations does not currently exist, nor does a way for organisations to respond and report against those expectations. See Page 45 for more information.

GOVERNANCE STRUCTURES

South Australia currently has the largest number of arts and cultural Statutory Authorities and Government-owned Public Corporations of all Australian States and Territories. A number of these are also inconsistent with the governance structure of similar organisations in other jurisdictions. This is particularly evident in the three performing arts producing organisations: State Opera of South Australia (SOSA), State Theatre Company of South Australia (STCSA) and Australian Children's Performing Arts Company (Windmill).

Inconsistencies with some other jurisdictions can also be found with: Adelaide Festival Corporation (AFC); Adelaide Film Festival (AFF); and South Australian Film Corporation (SAFC). See Page 48 for more information.

1.2 RECOMMENDATIONS

Changes to governance structures can be complex (including legislative change), while reform of governance practices tends to be more easily achievable.

The following recommendations have therefore been grounded on the principle of evolution of change, rather than revolution.

RECOMMENDATION 1 (GOVERNANCE PRACTICES)

State Government should implement comprehensive foundational reforms to improve the complete cycle of governance practices of all arts and cultural Statutory Authorities and Government-owned Public Corporations. This complete governance cycle includes Board member nomination, appointment, induction, training, support and development, as well as clarification of reporting lines and accountability.

The key foundational reforms required to streamline and modernise current governance practices are outlined below. They should be implemented in stages over the next one to two years. It should be noted this reform does not require change to the institutions' current Acts.

STAGE 1

- Appoint a Governance Manager within DPC to oversee significant foundational reforms (as per the Queensland Government model). An initial dedicated resource would be required in the establishment phase and this could be assessed at the end of the first year of the appointment. It may be able, after the first year, to embed this role into an existing role in DPC.
- Introduction of and full utilisation of a centralised Board recruitment processes (such as BoardingCall), induction, training and resources (such as the Queensland Government's 'Welcome Aboard: A Guide for Members of Queensland Government Boards, Committees and Statutory Authorities').

1.2 RECOMMENDATIONS

RECOMMENDATION 1

- Introduction of a new process for State Government to create an annual 'Statement of expectation' for each organisation that clearly articulates the intention of these reforms, the nature of changes to be adopted, the role of all parties, and associated timelines and reporting requirements (several jurisdictions currently use a version of this process). Such Statements of Expectation should cover matters not suitable for inclusion in statute, which may include:
 - Clarification of roles and reporting lines so all Boards and Directors understand their roles, reporting lines and accountability.
 - Requirement to use centralised Board resources and processes (as above).
 - Requirement to make progress towards and achieve diversity targets for Board membership as vacancies occur and as outlined in Recommendation 6.4 of the Arts Review, including:
 - Aboriginal and Torres Strait Islander representation on every Board.
 - Gender equity of Board members (requirement for 50% of Board members to identify as women or gender diverse people at any one time over the next three years). This would bring State Government requirements (which for most organisations is for a minimum of two women, according to their Acts) in line with current best practice and as made in Recommendation 6.4 of the Arts Review.
 - Diversity of Board members (requirement for Boards to measure and demonstrate equitable representation of people from culturally and linguistically diverse backgrounds, people who identify as Deaf or Disabled, LGBTIQ people, young people (under 35 years of age), and people whose primary residence is in regional South Australia.
 - Skills-based recruitment of Board members, guided by a skills matrix tailored for each organisation (including Board members with experience in philanthropy).
 - Sector engagement - requirement for Boards to measure and demonstrate cooperation and collaboration with other Statutory Authorities and Government-owned Public Corporations, as well as the broader sector.

1.2 RECOMMENDATIONS

RECOMMENDATION 1

- Community engagement - requirement for organisations to maintain and report on a Diversity Policy that includes a Reconciliation Action Plan and Disability Access and Inclusion Plan, and to demonstrate their engagement with other diverse artists, arts workers and audiences.
- Evaluation obligations - requirement for regular, documented Board reflection and evaluation to be undertaken periodically with external expertise.
- Creation of new Council of Chairs (CoC) and Council of Directors (CoD) with clear mandates, terms of reference, and work programs:
 - The CoC could meet biannually (or as needed), ideally with an independent non-Government Chair to remove any perception of bias. The CoC could be tasked with endorsing the matters considered by the CoD, and be a vehicle by which senior members of the Government can share broader strategies and priorities (arts and culture, creative industries, economic growth, tourism, health, education and Aboriginal affairs) and cross-departmental responsibilities. Clarity of expectation on all sides is paramount. Clear Terms of Reference and scope will be important.
 - The CoD could meet quarterly, ideally with an independent non-Government Chair to remove any perception of bias. The CoD could be tasked with finalising or endorsing a series of collaborative 'Master Plans' (including collective response to strategic priorities, scheduling of programs and marketing, and performance management and reporting).
- Requirement for each organisation to respond to the Government's annual Statement of Expectation with a 'Statement of Intent'. This should not be an interpretation of the Statement of Expectation, but rather a clear timeline and delivery program in response to it.
- Requirement for the CoC and CoD to respond to the Government's annual Statement of Expectation with a 'Statement of Intent'. This should not be an interpretation of the Statement of Expectation but rather a clear timeline and delivery program in response to it.

STAGE 2:

- Creation of standardised metrics, agreed evaluation frameworks, and consistent approach to performance measurement and benchmarking across all organisations, to better measure and report on combined impact, drive improved performance through appropriate benchmarking, and increase transparency. Metrics could include:
 - Onsite visitor numbers and diversity.
 - Digital engagement numbers.
 - Education, community outreach, touring and regional activities.
 - Diversity and representation (Board, staff, artists, activities and audiences).
 - Digitisation progress (where relevant).
 - Funding sources and levels.
 - Value of in-kind support provided.
 - Organisation specific indicators (such as number of donated artworks).
 - Collaborative activity.
- Introduction of a State-wide online arts and cultural calendar for programs and marketing. This builds on Recommendation 1.1 of the Arts Review.
- Updating Statements of Expectation for each organisation, including requirements and recommendations regarding the above and receipt of a Statement of Intent in return.

STAGE 3:

- Streamlining of Government strategies and priorities (arts and culture, creative industries, economic growth, tourism, health, education and Aboriginal affairs) and cross-departmental responsibilities. This may include development of single, coordinated, cross-departmental and sector-wide 'masterplan' (that combines and expands on both the Arts Plan and South Australia's Creative Industries Strategy that potentially could be supported by the appointment of an associated role within Government (Arts Review Recommendation 7.3).
- Clarification and modernisation of State Government-provided services (currently provided by Shared Services SA, as per Service Level agreements, covering WHS, HR, etc) to ensure they are affordable and fit-for-purpose. This does not include audit which is covered under the Public Finance and Audit Act 1987.
- Allowing organisations to put forward a business case to procure services elsewhere (excluding audit and WHS) and/ or introducing incentives of transition funding to support sharing of services between organisations. This could include accounts payable and receivable, investment, marketing, IT services, or commercial activities such as catering, cleaning and shop management. It is noted that the North Terrace organisations can currently do this should they elect, with the exception of accounts payable/receivable. While this may require transition or start-up funding, it has the potential to be more efficient in the long term, and to free up Treasury and DPC resources.
- Updating Statements of Expectation for each organisation, including requirements and recommendations regarding the above and receipt of a Statement of Intent in return.

1.2 RECOMMENDATIONS
RECOMMENDATION 1

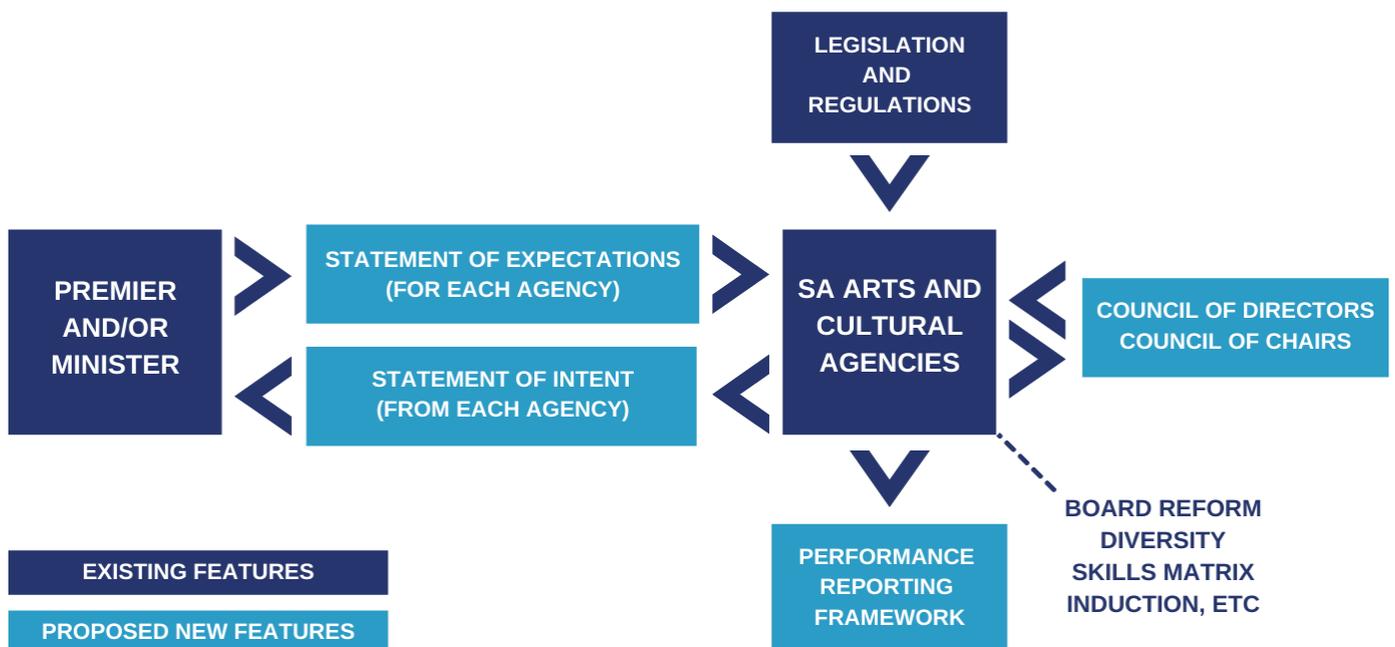
KEY BENEFITS:

This recommendation will not require legislative change and will introduce minimal, staged disruption at a time of great sector uncertainty. It will help realise the implementation of the Arts Review Recommendations 6.1, 6.2 and 6.4, and move the sector towards contemporary best practice in terms of clarifying roles and reporting lines, improving Board skills and diversity, improving reporting and administration processes and reducing red tape, improving provided services, increasing opportunities for collaboration and sharing of services between organisations, and creating shared metrics and measurements of success. It will provide greater clarity of State Government expectations and build greater trust between Government and organisations while giving organisations greater independence.

KEY COSTS AND RISKS:

This recommendation will require State Government investment in new and improved systems, processes and a resource in a Governance Manager, and is unlikely to create any cost-savings that could be reinvested back in other areas of the sector.

RECOMMENDATION 1 NEW ACCOUNTABILITY FRAMEWORK



RECOMMENDATION 2 (GOVERNANCE STRUCTURES)

This Review identified merit in supporting the transition of a number of organisations to independent governance structures, in response to a timely opportunity to align this transition with Federal funding programs (for three performing arts producing organisations) and/or to make provision for the changing ambitions of other organisations into the future.

RECOMMENDATION 2.1

State Government should support three performing arts producing organisations to transition to independent governance structures (recommended as Companies Limited by Guarantee: State Opera of South Australia (SOSA), State Theatre Company of South Australia (STCSA) and Australian Children’s Performing Arts Company (Windmill).

This recommendation has been informed by recent changes to the National Performing Arts Partnership Framework (NPAPF), a partnership between Australia Council for the Arts and State Government (previously known as the Major Performing Arts Framework).

SOSA and STCSA have been funded through the framework since 2000, along with Adelaide Symphony Orchestra (ASO). Windmill has been invited to join these three organisations within the revised NPAPF from 2021-22 (the first time in 20 years that the framework has expanded to include new organisations).

This presents a unique and timely opportunity to offset the removal of financial surety provided by Statutory Authority and Government-owned Public Corporation governance structures with the NPAPF’s tripartite funding agreements for a period of eight-years (four-years plus four-year option to renew).

KEY BENEFITS:

Organisations will achieve greater independence and autonomy from Government while maintaining surety of Government funding. They will benefit from operating within a more flexible governance model and from the alignment of financial and reporting cycles (and subsequent reduction of red tape through no longer needing to report on both a calendar and financial year basis). Organisations will also be able to choose their own Board members and reduce red tape and compliance requirements. The change will also bring the three performing arts producing organisations in line with all but one of their interstate peers across Australia, and other NPAPF-funded organisations (including ASO, which successfully underwent a similar transition from a Statutory Corporation to an independent Company Limited by Guarantee in 2006). Ongoing operational costs may decrease in some areas (such as no longer being required to access Government-provided services), and the transition may also make them eligible for other forms of support (such as the JobKeeper program or RISE funding currently unavailable to Statutory Authorities). In some cases, the transition may also improve capacity to raise private sector funds.

KEY COSTS AND RISKS:

This recommendation requires legislative change and Government would need to provide support through one-off costs (to offset the cost of transition) and ex gratia transfer of ownership without organisations paying a transfer price (representing a significant gift of assets outside of State Government). Some ongoing operational costs for the organisations may increase in some areas (such as Workers Compensation) but would decrease in other areas (such as audits). The move from the Government to not-for-profit sector would also require a careful shift of any staff benefits some employees may receive, and may create a disparity in salaries.

RECOMMENDATION 2.2

State Government should support any or all of the following arts and cultural Statutory Authorities and Government-owned Public Corporations that choose ('opt-in') to transition to independent governance structures (recommended as Companies Limited by Guarantee): Adelaide Festival Corporation (AFC), Adelaide Film Festival (AFF), and South Australian Film Corporation (SAFC).

This Review identified that other organisations may wish to take advantage of the opportunities presented by greater independence by choosing to transition to an alternative governance structure.

While this desire is not strongly evident at the moment, this recommendation makes provision for the changing ambitions of these organisations into the future.

KEY BENEFITS:

Organisations will be supported to implement appropriate reforms initiated by their own Boards for their own motivations. They will benefit from operating within a more flexible governance model, ability to choose their own Board members, and reduction of red tape and compliance requirements. Ongoing operational costs may decrease in some areas (such as no longer being required to access Government-provided services), and the transition may also make them eligible for other forms of support (current examples include the JobKeeper program or RISE funding program). In some cases, the transition may also improve capacity to raise private sector funds.

KEY COSTS AND RISKS:

Refer to key costs and risks on Page 15.

1.3 OPTION FOR FUTURE CONSIDERATION

1.3 OPTION FOR FUTURE CONSIDERATION

In the future, State Government could consider merging similar Statutory Authorities through the creation of one or more overarching governance structures ('SuperBoards'), in order to streamline resources, operations and strategic outcomes. Organisation-based specialist management committees would be implemented and report to the overarching 'SuperBoard'.

Potential models for such a merger could include:

- North Terrace organisations (Art Gallery of South Australia, History Trust of South Australia, South Australian Museum and Libraries, plus Aboriginal Art and Cultures Centre (AACC) at Lot 14 from outside the current portfolio).
- Collecting organisations (Art Gallery of South Australia, Carrick Hill Trust, History Trust of South Australia, South Australian Museum and Libraries).
- Film organisations (Adelaide Film Festival and South Australian Film Corporation, plus Media Resource Centre from outside the current portfolio).
- Heritage houses (Carrick Hill Trust, plus Kingston House, Martindale Hall, Ayers House, Dingley Dell and Old Government House from outside the current portfolio – though the recommendations of a previous review regarding such a merger has not been implemented).

This Review has deliberately not included this option as a recommendation at the time of writing, based on our assessment that the disruption of such reforms would currently outweigh any benefits.

If considered in the future, this option will require significant willingness from the affected organisations in order to be implemented successfully. While that willingness is not currently evident, it should be noted that two of the largest organisations have recently appointed new Chairs, and that the governance of AACC at Lot 14 is still to be determined.

1.3 OPTION FOR FUTURE CONSIDERATION

KEY BENEFITS:

This centralised approach could reduce inter-organisation silos and competition, increase collaboration and cross-sector delivery on strategic priorities and objectives, strengthen the collective's combined brand recognition and profile. It also has the potential to create efficiencies through shared services, and through centralisation of commercial services and/or foundations. This recommendation maintains the financial surety provided by the Statutory Authority and Government-owned Public Corporation structures.

KEY COSTS AND RISKS:

This recommendation requires significant legislative change, goes against the current wishes of some organisations, and any benefits will take time to be realised. It will also require one-off and ongoing State Government investment in new structures, systems and processes. And it will need to address potential negative perceptions around confusion of remit, perceived loss of control or arm's length independence, loss of individual identity and/or brand awareness, and potential loss or confusion of philanthropic support. Transition may also create a disparity between paid and unpaid Board models. It should only be explored after undertaking a full costing and risk analysis; further consultation and testing; and reinvestment of any efficiency savings back into sector.

PART 2 CONTEXT

2.1 RECENT CHANGES TO SECTOR ECOLOGY

2.1 RECENT CHANGES TO SECTOR ECOLOGY

A number of recent changes to the sector ecology have informed this Review. These include:

- The last six consecutive years of federal funding cuts, from which competition for remaining funds and opportunities has never been so high. The Arts Infrastructure Governance Review (2018) undertaken by SGS Economics & Planning observed that: “This is exacerbated in an environment of funding shortfalls, with cut throat competition between arts organisations on display.”
- Significant developments in national and international contemporary governance practices that could be considered ‘best practice’.
- Increasing ambitions at all levels of Government to streamline funding, reduce ‘red tape’ and take advantage of new technologies to ensure appropriate management of Government-owned assets and collections (including digitisation).
- Increasing recognition and evidence-base of the critical role of arts and culture in the life of a community, social cohesion, the liveability of cities and states, and their brands.
- Increasing recognition and evidence-base of the economic contribution of the arts and cultural sector to a State’s economy, and potential for further growth in the areas of employment, tourism and export.
- Increasing awareness of the persistent monoculture of the arts and cultural sector, in which the diversity of our arts and cultural organisations fails to adequately represent the makeup of our communities, and increasingly vocal calls for this to change.
- Increasing recognition and evidence-base of the higher performance of more diverse Boards.
- Increasing awareness and appetite for freedom of expression at arm’s length from Government.
- Increasing evidence of some limited collaboration between organisations, but not to its full extent.

2.1 RECENT CHANGES TO SECTOR ECOLOGY

- In 2019, those organisations that had been moved from DPC to DIS or Department for Education noted that they expected to be significantly disadvantaged by their new reporting relationships. When asked this question again in 2020, the majority of organisations did not report any real disadvantage.
- Previous issues with the complexity and onerous reporting obligations associated with being a Statutory Authority also did not appear to present as much of an issue now.
- 2020's bushfires, four-year funding announcements (supporting the local small to medium sector) from Australia Council for the Arts, and the ongoing impact of C19 have forced many organisations to re-imagine or reduce their work. Many also face challenges presented by technology, the climate emergency, reduced and more expensive arts education options, and changing trends in audience engagement.
- Some organisations have received significant benefit from being under the umbrella of Government during C19 (including being covered by State Government insurance policies and employment arrangements).
- Whilst community transmission of C19 remains low in South Australia, a range of Government regulations have been put in place that have impacted the organisations, including closure periods and restrictions on re-opening. At the time of writing, borders for international visitors remain closed and restrictions on interstate movement are just starting to lift.
- Within this context, all but one organisation recognised and appreciated the “security and protection” offered by the State Government due to their status as Statutory Authorities or Government-owned Public Corporations.
- As State Government entities, they were not eligible for the Federal Government's JobKeeper support program or RISE COVID-recovery grant program, and all 13 organisations reported a significant drop in revenue from expected audiences and related commercial activity. However, none of them had to make their permanent staff redundant, and some were able to access the State Government's insurance scheme to offset lost revenue.

2.2 POLITICAL AND ECONOMIC PROJECTIONS

2.2 POLITICAL AND ECONOMIC PROJECTIONS

There has never been a more disrupted and uncertain time in broader economic and geopolitical terms.

The C19 global pandemic has significantly disrupted national and international travel into South Australia, a situation that will not be fully resolved until a vaccine becomes widely available.

The arts and cultural sector, however, is well placed to support and even lead this recovery. This is mirrored in a report from the Australian Major Performing Arts Group from January 2020, which identified that: “The arts, with its deep engagement in the human experience, can make a significant contribution to how communities process unparalleled natural disasters, helping to understand their ‘story’ and to rebuild a sense of place and shared resilience. In the longer term, the arts also have the potential to support economic recovery through stimulating creativity and new ideas as well as tourism initiatives.”

The Arts Audience Outlook Monitor from Australia Council for the Arts shows some positive signs of recovery for those states with low C19 community transmission like South Australia. However, the research also shows that arts audiences will be more reluctant to return to ‘normal’ engagement, particularly in crowded spaces like theatres or festival environments, heralding a shrinking local market. As of September 2020, other findings include:

- Confidence in South Australia was stable or slightly lower than it was in July, with 33% ‘ready to attend’ or return to events.
- Around two-thirds of former arts attendees were making plans to attend events in the future.

2.2 POLITICAL AND ECONOMIC PROJECTIONS

- Enforcement of social distancing remains key, with only 13% of people nationally comfortable at venues without social distancing in place. However, 86% of South Australian audiences were comfortable with the concept of two square metres per person.
- Nationally, most audiences are somewhat comfortable to visit museums and galleries (93%), botanic gardens and zoos (99%), or community art spaces (87%).
- 70% of national respondents are participating in online arts or cultural experiences, down slightly from 73% in July and 75% in May. Rates of engagement in South Australia have decreased by 10% over this time, as opposed to 5-6% in most other States and Territories.

These factors indicate a challenging period ahead for South Australia's venues and the companies who use them, which will require many organisations to continue to rethink their delivery.

2.3 SOCIAL PROJECTIONS

In the context of this year's bushfires and the ongoing impact of C19, participation in and connection to arts and culture have never been so important.

Faced with an extraordinary level of disruption and loss, South Australian communities need assistance to recover, heal and commemorate through coming together, share their stories, develop resilience for the future, and return the balance towards positive social cohesion, wellbeing and change. The arts and cultural sector is often at the forefront of such change, and the case for arts engagement can be made on many fronts:

- The creative case: Arts and culture excel with diversity.
- The equal rights case: All South Australians should be able to take part in arts and culture on an equal basis, but some face historical and/or ongoing barriers to doing so (including financial, physical, sensory, technological, communication and attitudinal barriers). As such, achieving equality doesn't mean treating everyone the same. Equality is about providing whatever is necessary for individuals and groups to achieve equal opportunities.
- The business case: Engagement and inclusion of more diverse individuals and communities can deliver a range of positive outcomes, including innovation, opportunity, improved workforce well-being, and improved financial performance.
- The legal case: Duty of Care statutes in Occupational Health and Safety and Negligence legislation require organisations to anticipate and act on anything that could be 'reasonably foreseen' to cause harm. The Disability Discrimination Act requires organisations to make 'reasonable adjustments' to ensure services and employment opportunities are accessible to Deaf and Disabled people.
- The social case: According to Creative Recovery Network, "a growing body of evidence indicates that, particularly in times of community distress, the arts can provide great benefits to personal and community wellbeing, such as increased community cohesiveness, confidence and resilience, improved physical and mental health, reduced feelings of isolation, new personal and creative skills, strengthened connections to place, and a sense of shared optimism."

Within this framework:

- Visibility matters, including how we ensure the Boards and staff teams of our organisations are as diverse as the communities they serve.
- Reconciliation matters, including thinking about how we ensure Aboriginal-led governance of Aboriginal collections and creative practices (such as the new Aboriginal Art and Cultures Centre at Lot 14), how we acknowledge South Australia's Aboriginal and Torres Strait Islanders (within our physical arts and cultural infrastructure, programs and communications), and how we embed and demonstrate that acknowledgement and respect.
- Accessibility matters, from the physical access of our organisations, to how they train their teams, and what procedures and commitments they put in place.
- Language matters, including the adoption of the sort of rights-based language that is starting to be seen as the minimum standard for arts and cultural practice in Australia. South Australia has long led the country in the disability space in particular, laying claim to Australia's oldest and longest-running dedicated disability funding program (the Richard Llewellyn Deaf and Disability Grants run by DPC's Arts and Culture team) and the longest-standing disability-led State arts and disability organisation (Access2Arts).
- Action matters, including strategic and pro-active work towards becoming more accessible and inclusive, increase representation of marginalised individuals and groups, and reduce or remove historical and contemporary barriers that exclude them from full participation.

**PART 3
SCOPE,
METHODOLOGY,
BACKGROUND
AND RESEARCH**

3.1 PROJECT BRIEF AND SCOPE

The South Australian Government through the Department of the Premier and Cabinet (DPC) invited a Request for Quotation B529176 (Arts South Australia – Arts Plan Review of Statutory Authorities Governance Structures) on 10 June 2020.

DEFINITION

For the purpose of this Review, ‘governance’ is defined as the organisational structure or legal type, not the operational management or governance of the organisation.

This Review makes a further distinction between governance structures (organisational structure or legal type) and governance practices (organisational oversight and non-operational management), as well as the interdependencies between the two.

MOTIVATION

The motivation behind this Review was to review the current governance structures and practices of South Australia’s arts and cultural Statutory Authorities and Government-owned Public Corporations, and to identify opportunities to modernise and streamline them to the best advantage of all parties: the 13 organisations, State Government, the broader arts and cultural sector, and the people of South Australia.

This included a remit to identify opportunities for efficiencies and effectiveness (but not necessarily budget savings), to explore how to balance potential short-term disruption with longer-term gain, and identify the key risks and costs of implementation.

TERMS OF REFERENCE

The scope and terms of reference for this Review are in Appendix 1.

3.1 PROJECT BRIEF AND SCOPE

TEAM

The consulting team was led by Graeme Gherashe and Tony Grybowski, along with Richard Eccles and Kate Larsen. Details of the consulting team are outlined in Appendix 3.

DPC had oversight of the project through a Steering Committee comprised of: Steven Woolhouse, Executive Director, Communities and Corporate; Jennifer Layther, Director, Arts South Australia; and Diane Dixon, State Project Lead, Lot Fourteen.

Lead consultants met weekly with Jennifer Layther and monthly with the Steering Committee. The guidance and support of this group was invaluable in supporting this independent process.

TIMELINE

The contract with Gherashe Consultants Pty Ltd was signed on 29 July 2020 (the 'Contract'). An overview of the draft report was provided to DPC on 16 October 2020. This Review was submitted to DPC on 27 November 2020.

LIMITATIONS AND QUALIFICATIONS

This Review was developed for the South Australian Government by Gherashe Consultants Pty Ltd. It draws on information, opinions and views provided by leaders in South Australia's arts and cultural community.

The consultation also included several senior Government officials including the Premier of South Australia. However, it does not necessarily reflect the views of Government or indicate Government commitment to a particular course of action.

This Review references The Arts Review for South Australia Consultants' Report. It should be noted that the Arts Review was undertaken by the same lead consultants, though a different consulting team was formed for this Review.

3.1 PROJECT BRIEF AND SCOPE

The consultation process was undertaken by lead consultants Graeme Gherashe and Tony Grybowski. The facts and opinions expressed in these consultations were taken as a true and accurate account of the situation and have formed the foundation of the analysis and arguments in this Review as interpreted and expressed by the consulting team.

OTHER ISSUES REGARDING SCOPE

The focus of this Review is primarily on the 13 organisations outlined in Appendix 1, including 11 Statutory Authorities and 2 Government-owned Public Corporations.

It intersects with a number of other organisations. These include:

- Aboriginal Art and Cultures Centre at Lot 14, which was included for consideration at the request of the Steering Committee. As the governance structure for the Aboriginal Arts and Cultures Centre is yet to be determined, it would be prudent for the final decision on that matter to be consistent with State Government response to the recommendations of this Review.
- Adelaide Symphony Orchestra (ASO), which was included for consideration at the request of the Premier. Along with State Opera of South Australia (SOSA), State Theatre Company of South Australia (STCSA) and Australian Children's Performing Arts Company (Windmill), ASO is one of the four South Australian performing arts organisations currently being considered for the new National Performing Arts Partnership Framework (NPAPF), a partnership between State Government and Australia Council for the Arts. ASO is currently the only one of this cohort that is governed independently.
- Media Resource Centre, as part of the Screen South Australia Advisory Committee's (SSAAC) review.
- South Australian Historic Houses Trust, as part of the Carrick Hill and South Australian Historic House Trust review.
- Adelaide Venue Management and Stadium Management Authority, which was included for consideration at the request of the Premier.

3.1 PROJECT BRIEF AND SCOPE

It also intersects with a number of concurrent State Government reports. These include:

- DPC Circular 022 on the establishment and governance requirements for Government boards and committees, August 2020.
- Current consideration by DPC on the Arts and Culture Plan South Australia 2019-2024 Recommendation 6.4 Report into increasing diversity across all South Australian Arts Boards.
- Current consideration by DPC on the Review Recommendation 6.1 Report into establishing a comprehensive Board capacity development program for South Australian arts organisations.

3.2 METHODOLOGY

The methodology for this Review was divided into six stages:

1. Articulation of key questions.
2. Analysis of previous reviews into governance models and reforms in South Australia.
3. Consultation with key stakeholders in South Australia via digital meeting platforms.
4. Desktop research into national and international governance models and reforms, including some consultation via digital meeting platforms.
5. Development and risk analysis of models and recommendations.
6. Preparation of this report.

The consultants thank all of those contacted and interviewed as part of this Review for their input and assistance.

KEY QUESTIONS

The research and consultations undertaken for this Review were guided by the following key questions:

- Quantity, remit and structure
 - Is the number of Statutory Authorities and Government-owned Public Corporations drawing disproportionately on Government resources?
 - Are governance structures in line with national comparators?
 - Are their remits specific or able to be combined?
 - Do current governance structures limit the ability of Statutory Authorities and Government-owned Public Corporations to undertake their various roles?
 - What would they lose/gain from greater independence?
 - Given the current context, what is the catalyst for implementing reform now?

- Reporting, oversight and evaluation
 - Are lines of reporting and responsibility clear and consistent?
 - Are reporting requirements onerous and/or duplicated?
 - Is the level of Government and Board oversight sufficient, insufficient or excessive?
 - Are there more streamlined mechanisms of support that could deliver the same or greater impact?
 - How should governance structures work within a whole-of-government approach?
- Contemporary best practice
 - Where do South Australia's Statutory Authorities and Government-owned Public Corporations demonstrate contemporary best practice in terms of governance? Where do they fall short?
 - What reforms have been implemented in other jurisdictions that demonstrate greater efficiency and effectiveness?
- Expectation, investment and collaboration
 - How could governance and/or operations be made more effective and efficient through greater collaboration between the organisations?

ANALYSIS OF PREVIOUS REVIEWS

Over the past 10+ years, successive State Governments have undertaken or commissioned several pieces of work to examine alternative structures and business models for the sector.

While no significant reforms have so far been implemented as a result of any of these reviews, some of their recommendations have been considered as part of this Review (see below).

3.2 METHODOLOGY

REVIEW	DETAIL	COMMENTS
<p>Arts SA Governance review resulting in Statutes Amendment (Arts Agencies Governance and Other Matters) Act (2009 – 2010)</p>	<p>Included a comprehensive review of governance arrangements across the sector. This review noted that the operational structures and powers of each organisation were tailored to their distinct roles and functions across collections management, research and artistic endeavours, and did not recommend they be changed. Reforms included standardisation of Board size, terms and meeting procedures, increase in the power of some Boards, and streamlining of their relationship with Government. The Act also abolished Regional Arts Boards and amended the composition of South Australian Country Arts Trust.</p>	<p>Adopted in the Amendment Act.</p>
<p>State Historic Houses review (2009 – 2013)</p>	<p>Identified two options to enhance the value of the State's heritage sites and create vibrant and better utilised properties. The proposal aimed to improve management of Government-owned heritage places and develop a more entrepreneurial approach.</p>	<p>There is no further record of any work being undertaken beyond the initial research and proposal development, thus no recommendations were developed. After some meetings with the Department of Environment and Heritage to discuss the proposal, it did not progress after Minister Hill's retirement.</p> <p>The recommendations of this report have been revisited in the option for future consideration (Page 17).</p>
<p>State Theatre Company SA governance model examination (2013 – 2016)</p>	<p>Change of governance structure of STCSA, from that of a Statutory Authority to a company limited by guarantee, including:</p> <ul style="list-style-type: none"> - Establishment of a new company. - Transfer of the assets and liabilities of STCSA at fair value (excluding equity) to the new company. - Provision of a grant to the new company of an amount equivalent to the value of the equity at the time of transfer. - Transfer of South Australian Government funding arrangements to the new company. <p>Repealing the State Theatre Company of South Australia Act 1972.</p>	<p>Recommendations have not yet been adopted. Previous STCSA leadership reported a desire to transition to an independent governance structure. This is not currently the case. Given the current opportunity presented by new NPAPF funding arrangements, the recommendations of this report have been revisited in Recommendation 2.1 (Page 14).</p>

3.2 METHODOLOGY

REVIEW	DETAIL	COMMENTS
<p>Government Boards and Committees Reform (2014 – 2016)</p>	<p>Included an examination of potential reforms and/or amalgamations of Government boards and committees. At the time, the Boards of the arts and cultural organisations argued that amalgamation would not be appropriate due to the distinct purposes of each organisation, which can on occasion operate in competition with each other. It was also noted that several organisations had established Foundations and Funds (some independent and others for which the Boards had overall responsibility). There was some concern that there would be a net reduction in donations, bequests and other philanthropic support, were these entities to be merged.</p> <p>Considered merger of the boards of the South Australian Museum and History SA. Not pursued following invited comments from boards.</p> <p>Considered merger between the Adelaide Festival Corporation and the Adelaide Festival Centre Trust. In 2016, a review was commissioned by Arts South Australia and undertaken by Mr Greg Mackie OAM. The outcome was that the merger was not recommended by the then Minister for the Arts, and did not proceed.</p>	<p>Recommendations have been revisited as part of options for future consideration.</p> <p>This Review found that retaining Adelaide Festival Centre as a Statutory Authority is in line with other jurisdictions, and would ensure ownership and control of buildings and collections remain within Government.</p> <p>Options for Adelaide Festival have revisited in Recommendation 2.2 (Page 16).</p>
<p>Arts Infrastructure Governance Review (2018)</p>	<p>Model 1. Ownership of the building is vested in the board of the arts organisation. Arts SA allocates an annual facilities budget. Arts South Australia provides asset and facilities management services to the organisations under a Service Level Agreement. The agencies also employ site managers to manage day-to-day issues.</p> <p>Model 2. The Premier owns the asset. Arts South Australia leases the venue to the arts organisation (market value rent with equivalent funding supplementation i.e. budget neutral) and contracts that organisation to operate and maintain the facilities (annual fee paid). Strategic asset management is undertaken by Arts South Australia.</p>	<p>This review was received by Government at the same time that it had instructed the Economic Development Board to develop models for arts investment and infrastructure (though it was later determined that this did not present a conflict). but then there was a change of Government.</p> <p>The review would have been included in the brief to the incoming Government, but there was no official noting or further progression of the work.</p>

CONSULTATION WITH KEY STAKEHOLDERS IN SOUTH AUSTRALIA

The consulting team undertook 47 individual consultations with key stakeholders in South Australia, who all displayed a strong willingness to participate in the consultation process.

This included interviews with the Chairs and CEOs or Directors of the organisations listed in Appendix 1.

Key findings from this research are outlined in Appendix 2.

DESKTOP RESEARCH INTO NATIONAL GOVERNANCE MODELS AND REFORMS

Research was undertaken across other key jurisdictions in Australia to understand the number, structure and other relevant elements of like organisations.

Four senior officials in the other state jurisdictions were interviewed. Questions and issues similar to those addressed within this Review have been considered in nearly all other jurisdictions in some form. Interviewees demonstrated a willingness to share information and expressed interest in the outcomes of this Review.

Key findings from this research are outlined in Appendix 2.

As scan was undertaken of international governance models, including:

- Autonomous crown entities, New Zealand
- Smithsonian Institute, USA
- Leibniz Association, Germany
- Iziko, South Africa
- National Heritage Board (NHB), Singapore
- Canadian Government
- Swedish Arts Council
- German Federal Cultural Foundation
- Arts Council England
- Arts Council of Wales

In addition, the Executive Director of IFACCA, Magdalena Moreno Mujica, provided insights into contemporary international governance practices. Key findings from this research are outlined in Appendix 2.

HISTORY

Arts and culture are seen as a key component of the South Australian brand. The large number of South Australian arts and cultural Statutory Authorities and Government-owned Public Corporations is a positive reflection on successive State Governments and a demonstration of their commitment and investment in long term sector development.

The establishment of arts and cultural organisations using these governance structures is consistent with other Australian jurisdictions. However, South Australia currently has the largest number (13) of all Australian States and Territories. The Acts governing these organisations were created between 1937 and 2017.

CURRENT LEGISLATIVE FRAMEWORK

The 13 organisations within the portfolio are governed by a legislative framework of 11 Statutory Authorities and 2 Government-owned Public Corporations overseen by Department of the Premier and Cabinet (DPC), Department for Innovation and Skills (DIS) and Department for Education. Each Statutory Authorities has its own Act that outlines its legal status, governance structures and processes, and reporting requirements, and enshrines its creative independence. Subordinate legislation (known as Regulations) sit underneath each Act to provide a greater level of operational detail. Acts are currently quite prescriptive and tailored to each specific organisation. Changes to Acts require Parliamentary agreement before proceeding to the Governor for assent.

All Government-owned Public Corporations are covered by a single overarching Act, the Public Corporations Act 1993. This is a general Act that applies across all relevant agencies across multiple portfolios, and covers Ministerial control, Board duties and financial accountability. Underneath this Act sits organisation-specific Regulations that cover specific governance arrangements, financial reporting and operational matters.

The following table summarises the governance structure of each of the 13 organisations of this Review and the Ministry they report to.

3.3 BACKGROUND

ACT / ORGANISATION	STRUCTURE	GOVERNED BY	REPORTS TO	REMUNERATION PAID TO BOARD
Adelaide Festival Centre Trust Act 1971 (AFCT)	Statutory Authority	DPC	Governor appoints Board (on advice of the Minister) who report to the Minister.	Yes
Adelaide Festival Corporation Act 1998 (AFC)	Statutory Authority	DPC	Governor appoints Board (on advice of the Minister) who report to the Minister.	Yes
Art Gallery Act 1939 (AGSA)	Statutory Authority	DPC	Governor appoints Board (on advice of the Minister) who report to the Minister.	Yes
Carrick Hill Trust Act 1985 (CHT)	Statutory Authority	DPC	Governor appoints Board (on advice of the Minister) who report to the Minister.	Yes
History Trust of South Australia Act 1981 (HTSA), including four museums, History Festival and year-round program	Statutory Authority	Education Department	Governor appoints Board (on advice of the Minister) who report to the Minister.	Yes

3.3 BACKGROUND

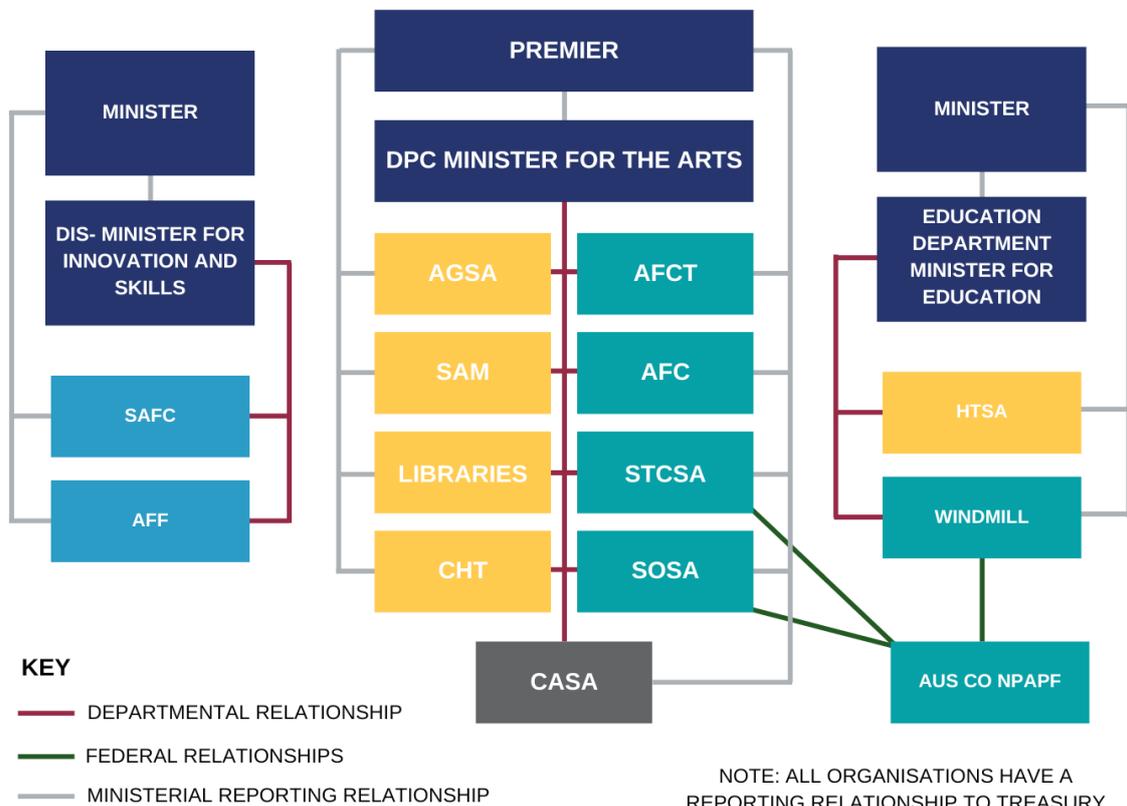
ACT / ORGANISATION	STRUCTURE	GOVERNED BY	REPORTS TO	REMUNERATION PAID TO BOARD
Libraries Act 1982 (Libraries), including State Library SA and state-wide public libraries)	Statutory Authority	DPC	Governor appoints Board (on advice of the Minister) who report to the Minister.	Yes
Public Corporations (Adelaide Film Festival) Act 2017 (AFF)	Public Corporation	DIS	Subsidiary of the Minister and reports to the Minister. Board appointed by the Minister and Skills and Innovation	Yes
South Australian Country Arts Trust Act 1992 (CASA)	Statutory Authority	DPC	Governor appoints Board (on advice of the Minister) who report to the Minister.	Yes
South Australian Museum Act 1976 (SAM)	Statutory Authority	DPC	Governor appoints Board (on advice of the Minister) who report to the Minister.	Yes

3.3 BACKGROUND

ACT / ORGANISATION	STRUCTURE	GOVERNED BY	REPORTS TO	REMUNERATION PAID TO BOARD
South Australian Film Corporation Act 1972 (SAFC)	Statutory Authority	DIS	Governor appoints the Corporation and the Chief Executive is eligible to be appointed to the Corporation by employing entity The Corporation reports to the Minister.	No
State Opera	Statutory Authority	DPC	Governor appoints Board (on advice of the Minister) who report to the Minister.	Yes
State Theatre Company	Statutory Authority	DPC	Governor appoints Board (on advice of the Minister) who report to the Minister.	No
Public Corporations (Australian Children's Performing Arts Company) Regulations 2016 (Windmill)	Public Corporation	Education Department	Subsidiary of the Minister and reports to the Minister. Board appointed by Minister for Education	No

*2019-20 figures are not public knowledge until they are made publicly available after the relevant annual reports are tabled in Parliament.

The following graph outlines the reporting relationships of the organisations covered in this Review and includes the relationships with the NPAPF.



CURRENT POLICY CONTEXT (ARTS PLAN, GROWTH STATE AND NPAPF)

In 2019, DPC commissioned extensive community consultation to inform the development of the Arts and Culture Plan South Australia 2019–2024 (Arts Plan) to guide the growth of and investment in the arts and cultural sector.

The Arts Plan was informed by the Arts Review, which included 45 recommendations. Objective 6 of the Review focused on arts governance, considering recent trends in arts board practice and standards across Australia.

This included recommendations to examine arts governance and encourage more resourcefulness, tasking Boards to have a stronger focus on diversifying funding sources, while looking to provide rolling triennial funding to arts organisations to improve their opportunities for long-term planning.

- Recommendation 6.1 of the Review stated that the Government should: Establish a comprehensive Board capacity development program for South Australian arts organisations.
- Recommendation 6.3 of the Review stated that the Government should: Undertake a five-year program to modernise and streamline the overarching governance structure for the state's Statutory Authorities. Revisit previous work in streamlining the range of Statutory and other Government arts and cultural entities to support the long-term effectiveness and efficiency of these arts organisations.
- Recommendation 6.4 of the Review stated that the Government should: Increase diversity across all South Australian arts boards. In particular ensure representation of young people, and people of Aboriginal and non-English speaking background – through specific targets and via the powers existing by the Government under the Statutory Authorities.

DPC commissioned this Review as part of the Arts Plan 2019-24 Program (Program), the body of work being led by DPC to respond to the Arts Plan and Review.

We believe this Review also aligns with several areas of the Growth State Creative Industries Sector Strategy commissioned by DIS in 2020 (currently in development).

At a Federal level, this Review has also been informed by recent changes to the National Performing Arts Partnership Framework (NPAPF), a partnership between Australia Council for the Arts and State Government. This reform of what was previously known as the Major Performing Arts Framework was approved at the Meeting of Cultural Ministers chaired by South Australian Premier Steven Marshall in October 2019. Four South Australian organisations have been invited to apply to the NPAPF: three within the scope of this Review (SOSA, STCSA and Windmill) and one that is governed independently (ASO). When confirmed, this will provide streamlined funding and monitoring arrangements and surety of funding over the next eight years. Windmill currently reports to the education department and for simplicity and of managing the NPAPF with the Australia Council for the Arts it may be more efficient to have Windmill as part of the DPC Arts organisations. The recommendations of this Review align with and support the implementation of NPAPF funding arrangements for these organisations.

PART 4 REASONS, BARRIERS AND MODELS FOR REFORM

4.1 REASONS FOR REFORM

GOVERNANCE PRACTICES

The governance practices (defined as organisational oversight and non-operational management) of South Australia's arts and cultural Statutory Authorities and Government-owned Public Corporations have not evolved in line with contemporary best practice.

This includes:

- Lack of consistent and/or centralised skills-based Board recruitment, induction, training and resources (currently the responsibility of each individual organisation). In part, this is currently being addressed through a separate audit and report looking into Board Capacity Development to support the delivery of Arts Plan Recommendation 6.1.
- Lack of Board diversity. In part, this is currently being addressed through a separate audit of Board Diversity to support the delivery of Arts Plan Recommendation 6.4.
- Lack of collaboration between organisations in terms of achieving strategic goals, including collective approaches to programs or marketing, or work to develop an overarching arts and cultural brand.
- Lack of collaboration between organisations in terms of sharing of services, such as commercial enterprises, HR and/or finance systems, databases, digitisation or project management tools.
- Lack of clarity of State Government-provided services (provided via Shared Services SA and Service Level Agreements) to ensure they are fit-for-purpose.
- Lack of standardised performance measurement and reporting frameworks.

These are now in urgent need of streamlining, modernisation and standardisation. Recommendation 1 proposes comprehensive foundational reforms to improve these governance practices.

Previous issues with the complexity and onerous reporting obligations associated with being a Statutory Authority also did not appear to present as much of an issue today.

4.1 REASONS FOR REFORM

REPORTING LINES AND ACCOUNTABILITY (STATUTORY AUTHORITIES)

The governance structures (defined as organisational structure or legal type) of South Australia's 11 arts and cultural Statutory Authorities are determined by 11 independent Acts. Note, this section of the Review does not cover the 2 Government owned Public Corporations covered by this Review.

These Acts include a range of inconsistencies, but particular confusion over reporting lines and accountability – with some confusion as to whether the Director / Chief Executive Officer, Board, the relevant Department and/or Minister is in charge, and who is responsible for what.

The Acts classify the Director of each Statutory Authority as a Public Servant, but Public Servants can only report to other Public Servants and not an appointed Board. Directors formally report to the Minister (who may delegate this responsibility to a Department official).

Most are able to navigate this reasonably effectively. However, some reported confusion and, at times, conflict. Some Directors currently believe they have dual reporting lines, or that their direct accountability is to their Board while working closely with Government. And many noted that their Board was unclear on their responsibilities, particularly where they begin and end as relates to management.

That this confusion has not yet manifested into disputes over accountability and/or leadership does not mean it won't in the future. For example, the Government currently has the sole power to appoint or remove any Director with or without the support of their respective organisation's Board. This is counter to the principals of corporate governance in which Boards have full responsibility for such matters, and risks creating further confusion and/or the appearance of Government overreach if invoked.

There is also some confusion around who makes recommendations for Board appointments. In the most part, the formal arrangement is for the Governor to appoint Board members (on advice of the relevant Minister), who then report to that Minister. In practice, however, each organisation takes instruction from and reports to a number of different sources.

STRATEGIC DIRECTION AND COLLABORATION – PLANNING AND PERFORMANCE MEASUREMENT

This Review has identified little collaboration between organisations in terms of achieving strategic goals and a lack of standardised performance measurement and reporting frameworks.

Organisations currently submit their Strategic Plans to Government, but a clear and consistent statement of Government expectations does not currently exist, nor does a way for organisations to report against those expectations.

Recommendation 1 proposes the introduction of a range of reforms to improve alignment and cooperation between the organisations, and clarify Government expectations.

These include establishing a new Council of CEOs and Council of Chairs; development of new Statements of Expectations for each organisation (and corresponding Statements of Intent); and instituting a consistent performance measurement and reporting framework.

Consultation for both the 2019 Arts Review and this Review identified opportunities for organisations to collaborate on planning and the delivery of strategic goals, and to streamline, standardise and utilise collective data.

This could maximise the quantity and quality of available data, and aggregate it to develop a stronger understanding of the organisations' collective impact and value (as per Objective 13 of the Arts Plan).

If the State's arts and cultural organisations are to optimise their contribution to the social and economic fabric of South Australia, they must operate cognisant of strategic objectives and priorities across broader Government agendas (arts and culture, creative industries, economic growth, tourism, health, education and Aboriginal affairs). They cannot continue to operate within their own silos, and statutory instruments alone will not convey this sense of clarity.

4.1 REASONS FOR REFORM

While competition between organisations can drive improvement, the benefits of a more collaborative approach are indisputable, particularly in pursuit of the collective ambition to ensure South Australia remains internationally recognised for its arts, culture and creativity, and continues to attract local, interstate and international visitors and attention.

Collaboration and shared planning should not come at the price of creative or operational independence, however, but optimise those elements that, when undertaken within a common framework, can enhance the sector as a whole.

For example, we are aware of the adoption of Recommendations 5.1 and 5.2 of the Arts Plan and believe that it has significantly increased collaboration between resident organisations within AFCT. This has included the introduction of an informal council of Chairs and CEOs that is required to meet on a regular basis to understand the scheduling and other challenges.

STRATEGIC DIRECTION AND COLLABORATION – SHARED SERVICES

This Review has identified little collaboration between organisations in terms of sharing of services.

Furthermore, many of the provided services the organisations are required to access through Service Level Agreements and services from Shared Services SA are seen as inefficient and/or unfit for purpose.

Allowing organisations to opt-out of these provided services and/or introducing incentives or transition funding to support sharing of services between organisations has the potential to be more efficient in the long term, and to free up Treasury and DPC resources.

This could include the accounts payable and receivable functions. Investment, marketing, IT services, or commercial activities such as catering, cleaning and shop management are within the current remit of the North Terrace organisations and they could manager these themselves should they choose.

4.1 REASONS FOR REFORM

Of note, the History Trust of South Australia (HTSA), as part of a machinery of government change in 2018/19, shifted from DPC to the education department. Up to that time HTSA had shared some services with other institutions that included AGSA, SAM, SLSA and Carrick Hill. In departmental transition, HTSA also transitioned to self-management of some services which required substantial one off and ongoing additional investment that was provided by government.

The Public Finance and Audit Act 1987 stipulates that the Audit- General must be the auditing entity for the organisation.

GOVERNANCE STRUCTURES

South Australia currently has the largest number of arts and cultural Statutory Authorities and Government-owned Public Corporations of all Australian States and Territories. While this observation led to Recommendation 6.3 of the 2019 Arts Review, simply aiming to reduce this number was not a primary motivation of this Review.

Some of South Australia's current arts and cultural Statutory Authorities and Government-owned Public Corporations are inconsistent with the standard governance structure of similar organisations in other jurisdictions. While some other jurisdictions have a similar mix of organisations, they have not been constituted as Statutory Authorities or Government-owned entities in the same way. Rather, these counterpart organisations in most other jurisdictions have been incorporated as Companies Limited by Guarantee.

This is particularly evident in the three performing arts producing organisations currently within the portfolio: State Opera of South Australia (SOSA), State Theatre Company of South Australia (STCSA) and Australian Children's Performing Arts Company (Windmill). Only the Queensland Government has also constituted their State theatre company as a Statutory Authority, in the same way as South Australia. No other jurisdiction has a Government-owned opera company or Children's Theatre Company (Windmill). This Review recommends that State Government should support these three performing arts producing organisations to transition to independent governance structures (recommended as Companies Limited by Guarantee, in line with the implementation of the new National Performing Arts Partnership Framework (NPAPF) in 2021-22).

4.1 REASONS FOR REFORM

The change would also bring these organisations in line with the Adelaide Symphony Orchestra (ASO), which transitioned from a Statutory Corporation (as part of the Australian Broadcasting Corporation) to an independent Company Limited by Guarantee in 2006, along with all of Australia's other State and Territory orchestras. This transition included some key similarities to those that may be experienced for SA Statutory Authorities and Government-owned Public Corporations, including: change in fundraising approach and relationship with donors; and differential in pay scale from Government to not-for-profit employees. Overall, this transition has been mostly successful. While several of the orchestras have experienced financial difficulties since transition, none of them have required Government bailouts or additional assistance relating to financial under-performance or governance. ASO has now operated under independent governance for nearly 15 years and was able to successfully register for Deductible Gift Recipient tax status.

Inconsistencies with some other jurisdictions can also be found with: Adelaide Festival Corporation (AFC); Adelaide Film Festival (AFF); and South Australian Film Corporation (SAFC). This Review recommends that State Government support any or all of these three organisations that choose ('opt-in') to transition to independent governance structures (recommended as Companies Limited by Guarantee).

However, retaining core cultural infrastructure, collecting organisations and the State's performing arts complex as Statutory Authorities is in line with other jurisdictions, and ensures ownership and control of buildings and collections remain within Government. This includes those organisations that represent significant assets (buildings, infrastructure and/or collections). This Review recommends retaining the following organisations as Statutory Authorities: Adelaide Festival Centre, Art Gallery of South Australia, History Trust of South Australia, South Australian Museum, Carrick Hill, Country Arts SA, State Library SA and state-wide public libraries (plus AACC at Lot 14 from outside of the current portfolio).

4.2 BARRIERS TO REFORM

The consultation identified four key barriers to implementing structural reform, as follows:

- Disruption
 - The greatest challenge of any reform process is the trade-off between short-term disruption (which can be negative) and longer-term gain. Strategic priorities, remits, timeframes, transition logistics and costs, and the complexity of change all need to be considered. It is always a balance.
 - This Review has deliberately not included significant structural reform options as a recommendation at the time of writing, based on our assessment that the disruption of such reforms would currently outweigh any benefits.
- Cost
 - Overall, there is concern about the time, resources and costs required for implementing any reforms at this time.
 - Potential loss of Public Sector employee status - including terms and conditions, transfer of superannuation, and mobility across the Public Sector agencies in employment.
 - Additional one-off costs will be required to offset the cost of transition.
 - The move from the Government to not-for-profit sector may also create a disparity in staff salaries (potentially making organisations less competitive).
 - Ongoing operational costs for the organisations may also increase in some areas (such as workers compensation).
 - Ex gratia transfer of ownership without organisations paying a transfer price (representing a significant gift or grant of assets outside of State Government).
 - The removal of significant cultural assets (buildings, infrastructure and/or collections) off the Government balance sheet would be prohibitive for Government.
 - Other barriers may include a lack of any incentive to change (either financial or otherwise).

4.2 BARRIERS TO REFORM

- Willingness
 - The reluctance of organisations to change may be a key barrier to significant reform, particularly as their willingness is likely to be required for successful implementation. Such willingness is not evident at the moment.
 - Only one of the organisations (SOSA) reported a current desire to transition to an independent governance structure. In spite of acknowledging some confusion and lack of clarity about reporting lines, and onerous reporting requirements, the remaining organisations do not currently believe governance reform is needed or welcome.
 - In consultation with the sector and in broad discussions on models like the Smithsonian, those interviewed claimed their operations were too different in some way to warrant being managed by a merged ‘SuperBoard’
 - Barriers may include a lack of understanding about the reasons for reform as a logical evolution in supporting greater outcomes.
- Logistics
 - Transition may also create a disparity between the paid Board models of Statutory Authorities and unpaid Board models of Companies Limited by Guarantee (potentially leading to higher turnover).

However, the greatest risk lies in complacency and continuing the status quo. Failure to evolve will provide the poorest possible outcome. Doing nothing is not a recommended option. Doing so would fall short of the best interests of all parties: the 13 organisations, State Government, the broader arts and cultural sector, and the people of South Australia.

4.3 POTENTIAL STRUCTURES AND MODELS FOR REFORM

4.3 POTENTIAL STRUCTURES AND MODELS FOR REFORM

POTENTIAL STRUCTURES

This Review has not determined a single ideal structure for the governance of similar arts and cultural organisations.

All but one organisation cited the importance of being a part of State Government in some way, as a critical element to offer protection and stability during such a disrupted and challenging time. Organisations also noted and appreciated the long term benefits and security of ongoing funding.

Other possible options include:

STRUCTURE	KEY CHARACTERISTICS	KEY DIFFERENCES
Statutory Authority	<p>Created and dissolved by an Act of Parliament.</p> <p>Characterised by 'closeness' to Government.</p> <p>'Implied guarantee' of surety of funding.</p>	<p>Financial year reporting.</p> <p>Director reports to the Minister, not the Board.</p> <p>Commonly used by arts collecting organisations or those managing significant cultural assets.</p>
Government-owned Public Corporation	<p>Created by Government.</p>	<p>Financial year reporting.</p> <p>Director reports to the Minister, not the Board.</p>
Not for Profit Company Limited by Guarantee under the Corporations Act 2001	<p>Created by a group of individuals who incorporate as a company under a volunteer Board of Directors.</p> <p>Can include companies incorporated as social enterprises.</p>	<p>Director reports to the Board.</p> <p>Can report on a financial or calendar year.</p> <p>Able to apply for Deductible Gift Recipient Status.</p> <p>Commonly used by arts producing and presenting organisations.</p>
Incorporated Association under the Associations Incorporation Act 1985	<p>Created by a group of individuals who incorporate as an association under a volunteer Committee of Management.</p>	<p>Director reports to the Board.</p> <p>Can report on a financial or calendar year.</p> <p>Able to apply for Deductible Gift Recipient Status.</p> <p>Commonly used by arts membership and community focused organisations.</p>
Non-distributing Cooperatives under the Co-operatives National Law Application Act 2013	<p>Can include companies incorporated as social enterprises.</p>	<p>Commonly used by organisations that exist solely for social purposes.</p>

4.3 POTENTIAL STRUCTURES AND MODELS FOR REFORM

POTENTIAL MODELS

The recommendations in this Review have been based on an assessment of a different models, which increase in scale from no reform (not recommended) to essential foundational reforms (Recommendation 1) and a number of optional structural reforms (Recommendation 2.1 and 2.2 and option for future consideration).

NO REFORM	FOUNDATIONAL REFORM
Maintain current number and structure of Statutory Authorities and Government-owned Public Corporations.	Maintain current number of Statutory Authorities and Government-owned Public Corporations, but refine and improve governance practices in line with contemporary best practice.
NOT RECOMMENDED	RECOMMENDATION 1

STRUCTURAL REFORM	
Reduce number of Statutory Authorities and Government-owned Public Corporations by supporting or requiring organisations to transition to independent governance structures .	Reduce number of Statutory Authorities and Government-owned Public Corporations by supporting or requiring organisations to merge their governance structures into streamlined ' SuperBoards '.
RECOMMENDATION 2.1 and 2.2	OPTION FOR FUTURE CONSIDERATION

(STRUCTURAL REFORM – increase in scale)	
Reduce number of Statutory Authorities and Government-owned Public Corporations by Government centralising ownership of assets .	Increase number of Statutory Authorities and Government-owned Public Corporations by incorporating new organisations into stand-alone or merged Boards.
NOT RECOMMENDED	NOT RECOMMENDED

4.4 MECHANICS FOR REFORM

MECHANICS FOR FOUNDATIONAL REFORM (RECOMMENDATION 1)

Implementation of foundational reforms will require State Government investment in new and improved systems and processes, ideally supported by the appointment of an associated role within Government, a Governance Manager. This management oversight will be critical in driving and managing substantial process change however the impact will deliver substantial benefits at many levels.

Buy-in and co-design by the organisations will also be critical in leading and adopting change.

MECHANICS FOR STRUCTURAL REFORM (RECOMMENDATION 2.1 AND 2.2)

In considering the steps involved in changing Statutory Authorities or Government-owned Public Corporations to an independent governance structure, the following would need to be addressed:

- Repeal of relevant Acts (which would require public consultation and scheduling for adoption by South Australian Parliament).
- Ex gratia transfer of ownership without organisations paying a transfer price.
- Provision of one-off costs (to offset the cost of transition).
- Confirmation of multi-year funding (to sustain the organisation during transition).

4.4 MECHANICS FOR REFORM

- Transfer of governance and control to the Board, who would need to:
 - Incorporate a new not-for-profit organisation with their choice of independent governance structure.
 - Register for Deductible Gift Recipient status (if they do not already have a separate Foundation).
 - Address the loss of systems and processes previously provided by Government (independently or in collaboration with other organisations).
 - Address potential disparity in staff salaries presented by move from the Government to not-for-profit sector.
-

The recommendation of this Review is for organisations to incorporate as not for profit Companies Limited by Guarantee.

MECHANICS FOR STRUCTURAL REFORM – (OPTION FOR FUTURE CONSIDERATION, INCLUDING ‘SUPERBOARDS’)

Any significant changes to the governance structure of Statutory Authorities (including mergers and/or the establishment of ‘SuperBoards’) would require legislative change informed by appropriate consultation and legal advice.

4.5 BENEFITS, RISKS AND COSTS OF REFORM

4.5 BENEFITS, RISKS AND COSTS OF REFORM

Any structural reforms should only be introduced after full implementation of Recommendation 1, as well as: undertaking a full costing and risk analysis; further consultation and testing (with both the sector and Federal Government funding agencies); and reinvestment of any efficiency savings back into sector.

MODEL	BENEFITS	RISKS AND COSTS	RECOMMENDATIONS
Maintain current number and structure of Statutory Authorities and Government-owned Public Corporations.	<p>No change.</p> <p>No additional costs.</p> <p>Maintains financial surety.</p> <p>Avoids change at a time of great sector uncertainty</p>	<p>Falls short of the best interests of all parties.</p> <p>Could be seen as failure of duty of care.</p> <p>Continuation of existing practices (below contemporary best practice).</p> <p>Lack of consistent and/or centralised skills-based Board recruitment, induction, training and resources (currently the responsibility of each individual organisation).</p> <p>Lack of Board diversity.</p> <p>Low collaboration or sharing of services between organisations.</p> <p>Lack of standardised performance measurement and reporting frameworks.</p> <p>Governing Acts are inconsistent and create confusion over roles and reporting lines.</p> <p>Many of the provided services the organisations are required to access or purchase from State Government are seen as expensive, inefficient and/or unfit for purpose.</p> <p>Maintains dependence on personal relationships with Premier, Ministers and DPC Arts and Culture team.</p>	NOT RECOMMENDED

4.5 BENEFITS, RISKS AND COSTS OF REFORM

MODEL	BENEFITS	RISKS AND COSTS	RECOMMENDATIONS
<p>Maintain current number of Statutory Authorities and Government-owned Public Corporations, but refine and improve governance practices in line with contemporary best practice.</p>	<p>No legislative change.</p> <p>Could be implemented relatively quickly.</p> <p>Maintains financial surety.</p> <p>Minimal, staged disruption at a time of great sector uncertainty.</p> <p>Helps realise the implementation of Arts Plan recommendations 6.1, 6.3 and 6.4.</p> <p>Moves the sector towards contemporary best practice in terms of clarifying roles and reporting lines, improving Board skills and diversity, improving reporting and administration processes and reducing red tape, improving poor and/or expensive provided services, increasing opportunities for collaboration and sharing of services between organisations, and creating shared metrics and measurements of success.</p> <p>Council of Chairs and Council of CEOs models reflect common practice in other jurisdictions (e.g. Council of Australasian Museum Directors) and sectors (e.g. Confederation of Major Professional and Participation Sports).</p> <p>Responds to growing academic evidence around the benefits of collaboration within the arts sector (e.g. Collaboration and Integration in Performing Arts - Erasmus University; or Loncaric in artsmanagement.net).</p> <p>Use of shared metrics to is increasingly seen as the basis for evidence-based policy.</p> <p>Builds greater trust between Government and organisations while giving organisations greater independence.</p> <p>Optimises performance.</p> <p>Engenders confidence.</p> <p>Positions the sector for the long term.</p>	<p>Requires State Government investment in new and improved systems and processes.</p> <p>Requires State Government investment in appointment of an associated role within Government - Governance Manager</p> <p>Unlikely to create any cost-savings that could be reinvested back in other areas of the sector.</p> <p>Collaboration may require incentives.</p>	<p>RECOMMENDATION 1: State Government should implement comprehensive foundational reforms to improve the complete cycle governance practices of all arts and cultural Statutory Authorities and Government-owned Public Corporations.</p>

4.5 BENEFITS, RISKS AND COSTS OF REFORM

MODEL	BENEFITS	RISKS AND COSTS	RECOMMENDATIONS
<p>Reduce number of Statutory Authorities and Government-owned Public Corporations by supporting or requiring organisations to transition to independent governance structures.</p>	<p>Offset the removal of financial surety provided by Statutory Authority and Government-owned Public Corporation governance structures with the NPAPF's eight-year funding agreements.</p> <p>Aligns with ASO (the only other South Australian NPAPF-funded organisation).</p> <p>Aligns with the majority of other similar and NPAPF-funded performing arts producing organisations from other jurisdictions.</p> <p>Aligns with Windmill's interest to explore best portfolio alignment in the future.</p> <p>Ongoing operational costs for the organisations may decrease in some areas (such as no longer being required to access Government-provided services).</p> <p>Eligible for other forms of support (such as JobKeeper).</p> <p>Potential to decrease reliance on Government funding longer term.</p>	<p>Legislative change.</p> <p>Additional one-off costs (to offset the cost of transition).</p> <p>Ex gratia transfer of ownership without organisations paying a transfer price (representing a significant gift of assets outside of State Government).</p> <p>Ongoing operational costs for the organisations may also increase in some areas (such as workers compensation).</p> <p>Increased disruption at a time of great sector uncertainty.</p> <p>Against the wishes of two of the three organisations.</p> <p>Any benefits will take time to be realised.</p> <p>Move from the Government to not-for-profit sector would create a disparity in staff salaries (potentially making organisations less competitive).</p> <p>Potential perception of reduced surety of funding, at a time when competition has never been higher.</p> <p>Potential loss of trust in State Government.</p> <p>Potential negative impact on State reputation.</p> <p>Loss of control over choosing legal structure of new companies.</p>	<p>RECOMMENDATION 2.1:</p> <p>State Government should support three performing arts producing organisations to transition to independent governance structures (recommended as Companies Limited by Guarantee: State Opera of South Australia (SOSA), State Theatre Company of South Australia (STCSA) and Australian Children's Performing Arts Company (Windmill).</p> <p>RECOMMENDATION 2.2:</p> <p>State Government should support any or all of the following arts and cultural Statutory Authorities and Government-owned Public Corporations that choose ('opt-in') to transition to independent governance structures (recommended as Companies Limited by Guarantee): Adelaide Festival (AF), Adelaide Film Festival (AFF), and South Australian Film Corporation (SAFC).</p>

4.5 BENEFITS, RISKS AND COSTS OF REFORM

MODEL	BENEFITS	RISKS AND COSTS	RECOMMENDATIONS
<p>Reduce number of Statutory Authorities and Government-owned Public Corporations by supporting or requiring organisations to merge their governance structures into streamlined 'SuperBoards'.</p>	<p>Maintains financial surety.</p> <p>Provides the opportunity to extend and formalise the CoC and CCEO reforms introduced in Recommendation 1.</p> <p>Reduces inter-organisation silos and competition.</p> <p>Increases collaboration and cross-sector delivery on strategic priorities and objectives.</p> <p>Strengthen the collective's combined brand recognition and profile.</p> <p>Potential to create efficiencies through shared services, and through centralisation of commercial services and/or foundations.</p>	<p>Legislative change.</p> <p>Increased disruption at a time of great sector uncertainty.</p> <p>Against the wishes of all organisations.</p> <p>Investment in new structures, systems and processes.</p> <p>Ongoing additional Board costs.</p> <p>Potential negative perceptions around confusion of remit, perceived loss of control or arm's length independence, loss of individual identity and/or brand awareness, and potential loss or confusion of philanthropic support.</p> <p>Move from the Government to not-for-profit sector would create a disparity between paid and unpaid Board models (potential leading to higher turnover).</p> <p>Potential loss of trust in State Government.</p> <p>Potential negative impact on State reputation.</p>	<p>OPTION FOR FUTURE CONSIDERATION:</p> <p>In the future, State Government could consider merging similar Statutory Authorities through the creation of one or more overarching governance structures ('SuperBoards'), in order to streamline resources, operations and strategic outcomes, and to oversee organisation-based management committees.</p>
<p>Reduce number of Statutory Authorities and Government-owned Public Corporations by Government centralising ownership of assets.</p>	<p>Assets retained by Government.</p>	<p>Significant legislative change.</p> <p>Requirement for further costing/testing prior to implementation.</p> <p>Additional one-off costs to support transition (including dedicated change / project management).</p> <p>Significant ongoing costs (staff and operations).</p> <p>Loss of arm's length independence.</p> <p>Potential confusion of remit.</p> <p>Potential loss of identity / brand awareness.</p> <p>Potential loss of philanthropic support.</p> <p>Potential negative response from affected organisations.</p> <p>Cannot be reversed easily.</p>	<p>NOT RECOMMENDED</p>
<p>Increase number of Statutory Authorities and Government-owned Public Corporations by incorporating new organisations as stand-alone or merged Boards.</p>	<p>Introduction of new Statutory Authorities to support specific parts of the sector (e.g. historic houses).</p> <p>Under-served parts of the sector receive more equitable recognition and surety of funding.</p> <p>Potential positive PR from not only maintaining largest number of arts and cultural Statutory Authorities but increasing them.</p>	<p>New legislation.</p> <p>Additional one-off and ongoing costs.</p> <p>Previous reviews into specific parts of the sector have not been implemented.</p> <p>Potential negative response from affected organisations.</p> <p>Cannot be reversed easily.</p>	<p>NOT RECOMMENDED</p>

4.6 INCENTIVES TO REFORM

Success will only be achieved if reforms are embraced by the sector as partners in achieving a shared vision – rather than as a mandate or direction from Government. The challenge therefore becomes one of how to take the sector on that journey.

There is an opportunity to utilise an incentive-based model to achieve sector buy-in and faster implementation and progress.

The issues of financial surety and arms' length independence underpin all the recommended potential reforms. Organisations will approach any prospective change through the lens of how it may impact their funding and how it may impact their independence.

Reforms that include funding reductions are less likely to receive sector cooperation or buy-in. While reform is still possible, it comes more in the form of 'implied imposition' than true collaboration.

Assurances that "no enterprise will be worse off" would go a long way to ensuring reforms could be discussed and implemented without the spectre of funding cuts on the horizon.

This would be particularly useful for merged entities (for which the sum total of funding for the component agencies would be transferred to the new merged entity). This may include a model that maintains overall funding, but gives new SuperBoards scope to redistribute how that funding is allocated. However, this approach limits the ability to identify cost efficiencies for use for other purposes.

4.6 INCENTIVES TO REFORM

The best models to incentivise reform include:

- Through the introduction of a funding increase (even a modest one).
- Through the prospect of increased independence.
 - In the first instance, this is likely to be achieved through the Foundational Reforms outlined in Recommendation 1.
 - Or from access to a new Arts Organisation Collaboration Fund (as per Recommendation 2.5 of the Arts Plan).
 - A later phase of reform may come through introducing the concept of Earned Autonomy. Earned Autonomy schemes have worked well in other sectors, in which organisations that achieve certain benchmarks (such as timely reporting, quality audit results, excellence in artistic endeavour or community engagement) are provided with greater autonomy (such as lighter reporting, increased funding certainty or greater flexibility). This would not be able to implement until any new structures and practices have already been bedded down, and benchmarks of excellence and success have been identified.
 - Further, and subject to future fiscal pressures, State Government could consider establishing an Excellence Fund (potentially funded through any efficiency savings being reinvested back into the sector), in which those organisations that achieve the above benchmarks would also qualify to apply for additional funding.

PART 5 APPENDIXES

APPENDIX 1: REQUEST FOR QUOTATION – CONTRACTOR BRIEF

Arts Plan Recommendation 6.3 Statutory Authority Governance Structure.

The Arts Plan aligns with the Department of the Premier and Cabinet's (DPC) strategic goal to deliver programs and services within the Premier's portfolio responsibilities that support South Australian communities. Government is undertaking a five-year program to modernise and streamline the overarching governance structure for the State's Statutory Authorities, including streamlining the range of statutory and other government arts and cultural entities to support the long-term effectiveness and efficiency of the sector and these organisations, and the optimal conditions for success for 2021 and beyond.

This procurement process will secure the services of an independent consultant to produce a high-level report with recommendations and, should change be recommended, guiding cost implications, implementation and change management plans are to be included. The report will provide government with the information to make timely and informed decisions on the governance structures for the State's arts and cultural statutory authorities and public corporations. The final report will be received by the Arts Plan Steering Committee to consider the recommendations.

IN SCOPE

Governance of the following statutory authorities:

- Adelaide Festival Centre Trust (DPC)
- Adelaide Festival Corporation (DPC)
- Art Gallery of South Australia (DPC)
- State Opera of South Australia (DPC)
- Carrick Hill Trust (DPC)
- Country Arts SA (DPC)
- State Theatre Company of South Australia (DPC)
- South Australia Film Corporation (DIS)
- South Australian Museum (DPC)
- History Trust of South Australia (Education)
- Libraries Board of South Australia (State Library of South Australia) (DPC)

Governance of the following public corporations:

- Windmill Theatre (Education)
- Adelaide Film Festival (DIS)

APPENDIX 1: REQUEST FOR QUOTATION – CONTRACTOR BRIEF

Additionally, as a consequence of a rapidly changing arts and cultural landscape in South Australia resulting from the impacts of COVID-19, changes in four-year funding from the Australian Council for the Arts and Objective 2 of the Arts Plan (review of Arts South Australia’s grant programs), the independent consultant is invited to provide considered options and associated risk analysis for the optimum structure of the arts and culture sector and ecology into the future.

The independent consultant will:

- Analyse the governance type of statutory authorities, ‘public agency’ public corporations (public corporations with government-appointed boards) and other major organisations/ entities to make systematic recommendations for the most efficient, relevant and appropriate governance structure/s
- Consider reform options with pros and cons, including potential amalgamations and/ or unifications across statutory authorities, public corporations, or programs and organisational remits, to achieve organisational efficiencies, beneficial outcomes for the sector and government, and represent the best ROI and value for government investment without compromising transparency and accountability
- Investigate where statutory authorities, public corporations and other major organisations/ entities reside across multiple government portfolios and whether this provides enhanced efficiencies, sustainability and responsiveness within the South Australian arts and culture ecology and in relation to other state and national jurisdictions.

The independent consultant will prepare a final report with recommendations, inclusive of high-level risk assessment, cost implications, consequences and benefits, relating to:

- Sector ecology - strengths, cohesiveness, efficiencies
- Perception and reality of alignment of public sector agencies with government
- improved collaboration and the most effective way of supporting collaboration across the sector, including building and pooling expertise across art forms
- Improved ability to deliver organisational remits, be responsive and appropriate to organisational environments in 2021 and beyond
- Long-term effectiveness and efficiencies, including the most efficient ways of delivery
- values of the current governance structures to government
- Investment, funding and philanthropic opportunities, including impacts of national funding arrangements
- Funding and reporting risks and accountabilities

APPENDIX 1: REQUEST FOR QUOTATION – CONTRACTOR BRIEF

Commissioning this report will provide government with an opportunity to consider organisational governance needs as individual organisations as well as the wider sector and its ecology and if need be, make a case for changes to governance structures to support and improve delivery of organisational remits. As the potential implementation of the report's recommendations will be subject to further work outside the scope of this project, further benefits will be determined dependent on the outcomes of the report and potential future work.

The Review suggests the Smithsonian Institute (USA) governance structure is worth examining (noting the very different context of American funding and cultural ecology), particularly in relation to the South Australian collecting institutions. The Smithsonian Institution comprises a collection of 19 diverse museums governed by a single Board of Regents and could provide an alternative governance model.

Over the past 10 years, Arts South Australia has undertaken, or commissioned, several pieces of work to examine alternative structures and business models for the sector.

These include:

- Statutes Amendment (Arts Agencies Governance and Other Matters) Act 2010
- State Theatre Company SA governance model examination (2013 – 2016)
- State Historic Houses (2009 – 2013)
- Government Boards and Committees Reform (2014 – 2016)
- Arts Infrastructure Governance Review (2018)

Work has also been undertaken by other government portfolios in this area, specifically the Department for Innovation and Skills (DIS) Screen Assessment (2019).

The governance model for the proposed Aboriginal Arts and Cultures Gallery at Lot 14 is yet to be determined and may provide opportunities for consideration.

For the purpose of this project, 'governance' is defined as the organisational structure or legal type, not the operational management or governance of the organisation.

APPENDIX 1: REQUEST FOR QUOTATION – CONTRACTOR BRIEF

It is to be noted, that in partnership with the Australian Council for the Arts, Arts South Australia is undertaking a 'governance' review around board operations with State Opera of South Australia, which is independent to this project.

Where appropriate, Arts South Australia will facilitate introductions to the Board and/ or management of the in-scope arts and cultural statutory authorities and public corporations, and other arts and cultural organisations considered relevant to the body of work being undertaken by the Contractor. Arts South Australia will also provide, where permitted, access to relevant background and contextual information, including previous work and research.

The Contractor will be required to provide a brief, written summary of progress-to-date for submission each month with the monthly Tax Invoice for payment, and the Contractor and Principal agree to be available by telephone or virtual online meeting on a mutually-agreed as-needs basis.

**APPENDIX 2: NATIONAL AND INTERNATIONAL
CONSULTATION AND RESEARCH**

**APPENDIX 2: NATIONAL AND INTERNATIONAL
CONSULTATION AND RESEARCH**

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WESTERN AUSTRALIA

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APPENDIX 2: NATIONAL AND INTERNATIONAL CONSULTATION AND RESEARCH

NATIONAL COMPARATORS (OVERVIEW)

South Australia has the largest number of arts and cultural Statutory Authorities and Government-owned Public Corporations, as per the table below:

JURISDICTION	STATUTORY AUTHORITY	GOVERNMENT-OWNED ENTITY OR PART OF A GOVERNMENT DEPARTMENT	TOTAL
ACT	2	0	2
NORTHERN TERRITORY	1	4	5
NSW	6	3	9
QUEENSLAND	5	3	8
SOUTH AUSTRALIA	11	2	13
TASMANIA	2	0	2
VICTORIA	7	3	10
WESTERN AUSTRALIA	6	0	6

However, numbers alone are not reason enough to reform these organisations' governance structures.

All jurisdictions have incorporated their major cultural institutions as Statutory Authorities. This usually includes the State or Territory art gallery, museum and library. In the larger jurisdictions, it often also includes a performing arts complex or concert hall.

While several jurisdictions, including the Federal Government in Canberra, have trialled and encouraged the use of shared services between organisations, no other jurisdiction was found to have successfully implemented a shared service model of any significance.

This Review has not determined a single ideal structure for the governance of similar arts and cultural organisations. Each jurisdiction has developed and grown at different periods and times in history. Some jurisdictions have already undertaken some reform and others are currently contemplating elements of reform.

The research does, however, provide a number of examples of contemporary best practice that have informed the recommendations within this Review. These include: the shared metrics model introduced by the national arts and cultural institutions; the Queensland Government's comprehensive guide for members of Government Boards, committees and Statutory Authorities; as well as the Queensland Government's dedicated Governance Manager resource.

APPENDIX 2: NATIONAL AND INTERNATIONAL CONSULTATION AND RESEARCH

NATIONAL ARTS AND CULTURAL INSTITUTIONS

In 2011–12, the Federal Government commissioned LEK Consulting to develop a key performance indicator framework to measure the impact of our national cultural institutions and highlight the key role they play in the cultural lives of Australians and the important place they occupy in the Australian cultural landscape.

The framework was developed in close consultation with Australia's national cultural institutions and provides a consistent, best practice approach to measuring and reporting performance data and more clearly aligning their activities, reporting and planning processes with the Australian Government's cultural objectives.

The framework has, over time, led to greater collaboration between agencies (both formal and informal). Other benefits include the creation of reporting that demonstrates the value and the reach of the institutions, and opportunities to draw comparisons between institutions, as well as with similar institutions in Australia and overseas.

The Australian Government has agreed that Ministers would issue Statements of Expectations to statutory agencies to provide greater clarity about Government policies and objectives relevant to a statutory authority, including the policies and priorities it is expected to observe in conducting its operations.

The National Museum received support from the Federal Government's Modernisation Fund to take on the provision of limited shared services for the sector, on the basis that they would become self-sustaining by charging other institutions for ongoing service provision.

The Australian Government, through the Office for the Arts, commissioned NGS Global to identify the features of best practice governance of arts agencies. Using international and domestic case studies, the report highlights the composition and practices of highly effective boards of arts organisations.

APPENDIX 2: NATIONAL AND INTERNATIONAL CONSULTATION AND RESEARCH

NEW SOUTH WALES

New South Wales has recently reduced its number of arts and cultural Statutory Authorities through the merger of a number of smaller organisations. These include the Sydney Living Museum and State Archives, and the combining of Centennial Park and Moore Park, Parramatta Park and Western Sydney Parklands Trusts into a new agency.

NORTHERN TERRITORY

The Northern Territory Government recently increased its portfolio of arts and cultural Statutory Authorities through the incorporation of MAGNT in 2016.

The Minister for Arts and Museums said: “Allowing the MAGNT to become a Statutory Authority will allow it to attract more philanthropic donations and corporate sponsorship that will further enhance its exhibitions and programs through the acquisition of major art works or scientific material and items of significance to the Territory’s cultural heritage. The Act will provide the MAGNT with an operating model which is generally recognised as the best governance model for cultural and collecting institutions. This new structure will also allow the MAGNT to work more closely with the business and philanthropic communities - to grow our collections and better support our programs.”

QUEENSLAND

Arts Queensland oversees the governance of its 5 arts and cultural Statutory Authorities and 3 Government-owned Entities through a comprehensive governance framework that includes centralised nomination portals, Board appointment and induction processes, observer guidelines, processes and manuals.

The Queensland Government provides minimal services and, other than requiring a Government observer to be on each Board, seems to engender a higher level of trust in and independence of each organisation’s governance.

Presumably, this trust and independence is made possible through the provision of clear expectations, as outlined in ‘Welcome Aboard’, the comprehensive guide for members of Queensland Government Boards, Committees and Statutory Authorities, which includes ambitions and requirements including: gender equality; diversity priorities; conduct; roles and responsibilities; and Board evaluation.

APPENDIX 2: NATIONAL AND INTERNATIONAL CONSULTATION AND RESEARCH

This work is overseen by the Queensland Government's dedicated Governance Manager role.

An Independent Review of Queensland Government Boards, Committees and Statutory Authorities was carried out in 2008-09. Only one change was recommended to structure of the arts and cultural organisations within the portfolio, which was to transition the Pacific Film and Television Commission from an independent company to a statutory body (increasing the overall number of arts and cultural Statutory Authorities and 3 Government-owned Entities).

This portfolio includes the only other State Theatre Company to be constituted as a Statutory Authority in the same way as South Australia. Like STSA, Queensland Theatre Company (QTC) has a Government-appointed board as a Statutory Authority administered under its own Act. Queensland is also the only other jurisdiction with a Government-owned festival, of which South Australia has two.

This arrangement garnered media attention in 2014 following allegations of Government criticism and potential influence over the content of a QTC play. At the time, some questioned whether or not it is appropriate for a theatre company to be State-owned at all, and the cost/benefits of restructuring QTC as a Company Limited by Guarantee (the structure used by most other State theatre companies). No reform has yet taken place.

SOUTH AUSTRALIA

The 2019 Arts Plan Review reported that over 200 people are currently serving on arts and cultural sector boards in South Australia, for the 13 organisations included in this review at a cost of circa \$500,000 per year to the Government. Rates of pay are inconsistent across organisations.

It was also noted in 2019 that those organisations that had moved from DPC to DIS or DEd would be significantly disadvantaged by their new reporting relationships. When asked this question again in 2020, the majority of organisations did not report any real disadvantage.

APPENDIX 2: NATIONAL AND INTERNATIONAL CONSULTATION AND RESEARCH

Previous issues with the complexity and onerous reporting obligations associated with being a Statutory Authority also did not appear to present as much of an issue now.

Many of the provided services the organisations are required to access from State Government are seen as inefficient and/or unfit for purpose. It should be noted that these services are delivered free of charge.

Only one of the organisations (SOSA) reported a current desire to transition to an independent governance structure.

Only one organisation (Windmill) expressed interest in further discussions about best portfolio alignment moving forward, particularly in light of their potential move to NPAPF funding. Arts SA has indicated that Windmill's potential move to NPAPF funding may support these conversations.

Potential synergies with Adelaide Venue Management and Stadium Management Authority were considered but dismissed due to the disparity of the organisations' remits and operations.

This Review also identified examples of contemporary best practice used locally that have informed its recommendations.

- ASO's transition from a Statutory Corporation (as part of the Australian Broadcasting Corporation) to an independent company limited by guarantee in 2006.
- HTSA's move away from a centralised model to delivery of services themselves following its move from DPC to the education department in 2017.
- The recent introduction of an informal council of Chairs and CEOs that has significantly increased collaboration between resident organisations within AFCT.

TASMANIA

The Tasmanian Government recently increased its portfolio of arts and cultural Statutory Authorities through the incorporation of Tasmanian Museum and Art Gallery in 2017.

APPENDIX 2: NATIONAL AND INTERNATIONAL CONSULTATION AND RESEARCH

VICTORIA

Victoria is currently reviewing its governance structures of its arts and cultural Statutory Authorities, as well as those in other portfolios.

A Statement of Expectations framework has been put in place for State regulators as a means to ensure consistency in operation, greater efficiency and less red tape.

WESTERN AUSTRALIA

Western Australian Government has recently centralised ownership of all assets in the State's cultural precinct, assuming all asset management responsibilities. This includes the Art Gallery of Western Australia, Western Australian Museum, State Library of Western Australia, State Theatre Centre and Perth Institute of Contemporary Arts.

The Arts Infrastructure Governance Review (2018) undertaken by SGS Economics & Planning observed that this seems to have been driven by a desire to coordinate projects across the overall precinct. It was made possible by consolidated ownership of the precinct's land and infrastructure. The WA Department of Local Government, Sport and Cultural Industries (DLGSC) now leases spaces within the precinct to arts organisations (primarily Statutory Authorities) at reduced rents and undertakes the asset and facility management functions. It has also transitioned from leasing to licensing agreements.

This centralisation also includes: combined funding and prioritisation of building maintenance (creating economies of scale in subcontracting works across multiple assets); combined fit-for-purpose program (which supports upgrades to equipment and spaces, not buildings); a single reserve for asset funding that can be drawn on to fund projects within the precinct; a centralised energy plant for the precinct that has reduced energy consumption and associated costs; and reinvestment of savings back into related programs. This allows Statutory Authorities to focus on funding of delivery of services through their annual budgets.

Western Australia has recently announced the creation of a new company limited by guarantee (WA LIVE) that will centralise and provide services to five performing arts venues.

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INTERNATIONAL COMPARATORS (OVERVIEW)

This Review also included a scan of international governance structures and practices. This identified that each country's unique Government, culture, and methods of funding the arts have dictated the structures and practices in use.

It identified examples of contemporary best practice used internationally that have informed its recommendations. These include: the New Zealand Government's Enduring Letter of Expectations model and leadership around specific outcomes; and the Smithsonian Institute's overarching Foundation (though this does operate within a very different American funding context and cultural ecology).

Another overarching observation was an increased awareness of the value of similar arts and cultural organisations in the development of contemporary society.

AUTONOMOUS CROWN ENTITIES, NEW ZEALAND

New Zealand has a number of arts/cultural Autonomous Crown Entities, created by the 2004 Crown Entities Act. This includes Arts Council of New Zealand Toi Aotearoa, Museum of New Zealand Te Papa Tongarewa, New Zealand Film Commission, New Zealand Historic Places Trust Pouhere Taonga, and New Zealand Symphony Orchestra.

Crown Entities have documents called statements of intent that set out their goals and funding (agreed with the Minister at the start of each financial year).

A new Enduring Letter of Expectations for Autonomous Crown Entities was introduced in 2019. These letters are occasional publications that are updated following a change in approach. It sets out what the Minister of Finance and the Minister of State Services expect of Autonomous Crown Entities and envisages a broader leadership role in relation to First Peoples, community wellbeing and future generations. This includes specific expectations to:

- Maintain a thorough understanding of business and cost drivers and look for service improvement within tight fiscal constraints.
- Take opportunities to work with other agencies on joint procurement, shared services and delivering key results to maximise system-wide efficiency and effectiveness.
- Ensure workplaces are diverse and inclusive.

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- Make substantive progress to close any ethnic or gender pay gaps and narrow the gap between the highest and lowest earners in the workplace.
- Engaging appropriately and often with First Peoples on relevant issues.
- Building staff cultural capability, including knowledge of First Peoples' history and how to address institutional racism.
- Taking a whole-of-government approach.
- Moving beyond narrow measures of success to consider impacts, both positive and negative, across a broader set of areas.

A governance and accountability review of Autonomous Crown Entities will take place in 2020, which is anticipated to lead to clearer governance and accountability arrangements. "This approach recognises that one size does not fit all. This package balances the requirements of the Government for accountability with the need to provide each Crown Entity with the flexibility it needs to function effectively," said Associate Minister of State Services Margaret Wilson. "Constant structural change in the state sector over the past decade or so is responsible for some of the confusion existing today. These changes are not about restructuring or job losses. This is about the Government clarifying its expectations of organisations."

SMITHSONIAN INSTITUTE, USA

The Smithsonian Institute is made up of 19 diverse museums governed by a single Board of Regents. The 2019 Arts Plan Review suggested that the governance structure of the Smithsonian Institute was worth examining, particularly in relation to the South Australian collecting institutions (though noted the very different American funding context and cultural ecology).

Originally, this was primarily a non-decision making and lobbying Board, for which the lack of operational oversight caused some serious issues in 2017. In response to a series of management violations, an independent review committee recommended "that the Regents create an active governing Board to take on primary fiduciary responsibility for the Smithsonian, with a chairman who can spend more time on oversight than the chief justice of the Supreme Court, who has traditionally served as chancellor." Since that time, the Board has split the functions of its Board Chair and Chancellor, and designated the Chair to oversee and deal with senior management. The Board also tightened its expenses policy, changed the leadership of its committees, gave the Chief Financial Officer and General Counsel direct access to the Regents, and agreed to hold at least four meetings a year.

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Approximately 60% of funding for the combined agencies comes from Congress, and 40% through an overarching Trust, which is supported by national and institution fundraising boards. 90% of all donations to the Trust are guaranteed to go to each respective institution and the remaining 10% pays for centralised services.

LEIBNIZ ASSOCIATION, GERMANY

The Leibniz Association is the largest collecting organisation in the world. Its governance structure brings together 96 independent research institutions, which are governed by a General Assembly. The General Assembly decides on matters of fundamental – especially strategic – importance to the Leibniz Association. It generally meets once a year – at the annual meeting in November – and is attended by the academic and administrative heads of the member institutions as laid down in the statutes.

The President represents the Leibniz Association internally and externally and draws up the main points of its research policy. They represent the joint interests of the member institutions in dealings with the Central and Federal State Governments, other research organisations and the public. They are also involved in national and international research policy committees and organisations, and chair the General Assembly, Board, Executive Board and meetings of the Senate. The President is elected by the General Assembly for four years and may be re-elected.

Matters of fundamental importance – such as the election of the President and Vice Presidents, admitting new member institutions to the Leibniz Association, resolutions on budget and financial matters and on overarching recommendations – are discussed and agreed at the General Assembly.

IZIKO, SOUTH AFRICA

Iziko Museums of South Africa (Iziko) is a Schedule 3A Public Entity and an agency of the national Department of Arts and Culture, bringing together the national museums of the Western Cape under a single governance and leadership structure. An appointed Council oversees the governance of Iziko.

NATIONAL HERITAGE BOARD (NHB), SINGAPORE

NHB is a Statutory Authority that combined and provides oversight of the national collection, a range of museums, historic sites and engages the community through awards, education and public programs.

CANADIAN GOVERNMENT

In Canada, Statement of Priorities or Statement of Expectations are a routine part of the governance of Government funded entities.

APPENDIX 3: CONSULTING TEAM

GRAEME GHERASHE, PROJECT MANAGER AND LEAD CONSULTANT

Graeme has 40+ years' experience as a line executive, coach, mentor and consultant and has worked in Australia, Asia, UK, Africa, Europe and North America. He holds qualifications in Psychology, Pure Mathematics and an MBA.

Graeme has worked with a number of leading financial institutions including HR Director roles at Bank of America, Security Pacific, Westpac, Standard Chartered and Aviva. Graeme has been a member of a number of Boards of Management in Australia and Europe and held CEO positions in NFP organisations.

An in-demand consultant, coach, facilitator and guest speaker has seen Graeme work with a number of companies across a broad industry range including government, media, finance, pharmaceuticals, the arts and professional services.

As a consultant Graeme has provided consultancy services in strategy design and execution, organization alignment including design, policy setting, talent management and culture change and delivered top team strategic planning workshops. With a background in start-ups and turn arounds both domestically and internationally Graeme is known for his ability to work at all levels of an organization. In addition to his consulting services Graeme has worked with a number of leading academic institutions including LBS, UCLA, INSEAD, Wharton, Columbia Business School, AIM and UNSW in design and delivery of customized executive education.

As a consultant, Graeme delivered executive development programs for the Australia Council of the Arts including the highly prized Emerging Leaders Development Program, and the Strategic Thinking Workshop. In the Arts he has delivered strategic planning facilitation to a large number of organisations including Opera Australia, NAVA, IFACCA, Shaun Parker Company, Hayes Theatre, Shopfront and the Australian Dance Theatre. For the for profit sector he has delivered strategic planning workshops for amongst others News Limited, Artist Services, BOC, IPMA, etc. He has delivered workshops to the Arts in all the Australian states including in rural locations where he did a team building workshop for Magabala Books.

Over the past two years, Graeme has partnered with Tony Grybowski and they have delivered consultancy to the South Australian Government (The Review and the Plan), West Australia Ballet, The State of Queensland represented by the Department of Environment and Science acting through Arts Queensland, and Bangarra Dance Theatre.

TONY GRYBOWSKI, LEAD CONSULTANT

Tony Grybowski is an Australian arts administrator based in Melbourne. Tony's thirty-year career in the arts has included Executive leadership roles with a range of national Australian arts organisations and significant arts policy work across state and federal government bodies.

Tony was Chief Executive Officer of the Australia Council for the Arts, the Australian Government's arts funding and advisory body from 2013 to 2018. Tony led the Council through its most significant period of strategic and organisational reform, delivering the Council's inaugural overarching Strategic Plan, A Culturally Ambitious Nation. The reform agenda resulted in a new arts funding model, international strategic arts development, research and support for First Nations people.

Tony's professional experience include: Chief Executive Officer, Australia Council for the Arts (2013 – 2018); Executive Director, Major Performing Arts Board (2007 – 2013); General Manager Programming and Innovation, Arts Victoria (2005 – 2007); Chief Executive Officer, Australian Youth Orchestra (1998 – 2005); National Planning and Operations Manager, Musica Viva Australia (1992 – 1998); and Deputy Orchestra Manager, Sydney Symphony Orchestra (1989 – 1992).

Tony is particularly passionate about the role and power of art in our lives, the role of creativity in the future workforce and supporting the growth and understanding of first nations arts and culture. Tony is currently utilising this experience in consulting across the not for profit sector focusing on strategy and capacity development.

RICHARD ECCLES, POLICY EXPERT AND SENIOR CONSULTANT

Richard has an ongoing interest in the arts, media and sports sectors, providing advisory services to Governments, commercial groups and the community sector. He holds directorships or advisory positions with Bangarra Dance Theatre, Copyright Agency Pty Ltd, the Public Interest Journalism Initiative, Epilepsy ACT and the Federal Golf Club.

Until earlier this year, Richard enjoyed a successful career as a Commonwealth public servant, having held Deputy Secretary positions since May 2010 across several portfolios, including the Department of the Prime Minister and Cabinet; Health and Aged Care; and Communications and the Arts. This is underpinned by a total of over 30 years' experience in the public and non-profit sectors.

Career highlights include world leading reforms in cyber safety; driving reforms in the Australian media landscape; leading the Australian Government's World Cup Bid Taskforce and involvement in major sporting events; leading major reforms in copyright and arts policy to better protect and support Australian creators and industries; and social and economic policy reforms in Indigenous Affairs.

KATE LARSEN, SENIOR CONSULTANT

Kate Larsen is a writer, arts manager and consultant with more than 20 years' experience as a leader and senior executive in the non-profit, government and cultural sectors in Australia, Asia and the United Kingdom.

Kate specialises in copy writing, organisational and sector development, cultural change management, strategic positioning and business planning, policy, advocacy, research, community engagement, program development, facilitation and social media.

Kate's professional history includes recent roles as Director/CEO of Writers Victoria, Co-Convenor of the Arts Industry Council of Victoria, and as CEO of Arts Access Australia. Currently based on Kurna land in Adelaide, she supports a range of organisations as a freelance writer and Non-Profit and Cultural Consultant.

Her recent work South Australian organisations includes: Access2Arts, Act Now, Arts SA, Arts Industry Council of South Australia, City of Adelaide, Country Arts SA, Festivals Adelaide, Guildhouse, SA Circus Centre (Cirkidz), SALA, Vitalstatistix, Writers SA, and other arts and cultural organisations all over the state.

Kate's approach is the opposite of clean-slate consultancy. Rather, she undertakes collaborative work in sectors in which she both has direct experience and cares deeply about. She has particular expertise in the areas of arts and culture, social justice, online communities, and increasing access for marginalised groups.

As a writer, her work has been published or commissioned by The Relationship is the Project (Brow Books, 2020), Australia Council for the Arts, Asialink Arts, Meanjin, Overland, Kill Your Darlings, Arts Centre Melbourne, and more.

ARTS SOUTH AUSTRALIA STATUTORY AUTHORITY GOVERNANCE STRUCTURES REVIEW REPORT



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